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SECOND SESSION—TWENTY-FIRST PARLIAMENT

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OTTAWA
EDMOND CLOUTIER, C.M.G., B.A., L.PH.,
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
CONTROLLER OF STATIONERY
1950

HOUSE OF COMMONS

Tuesday, May 2, 1950

The house met at three o'clock.

BANKING AND COMMERCE

FIRST AND SECOND REPORTS OF STANDING COMMITTEE—CONCURRENCE IN FIRST REPORT

Mr. Hughes Cleaver (Halton) presented the first and second reports of the standing committee on banking and commerce, and moved that the first report be concurred in.

Motion agreed to.

VACANCY

HALIFAX—APPOINTMENT OF GORDON B. ISNOR TO THE SENATE

Mr. Speaker: I have the honour to inform the house that I have received a communication from two members notifying me that the following vacancy has occurred in the representation, viz.:

Of Gordon B. Isnor, Esquire, a member for the electoral district of Halifax, consequent upon his being summoned to the Senate.

I have accordingly issued my warrant to the chief electoral officer to make out a new writ of election for the said electoral district.

Right Hon. L. S. St. Laurent (Prime Minister): I should like to say to you, sir, and through you to hon. members of the house, that following the issue of your warrant to the chief electoral officer, he has been directed to issue writs for by-elections to be held in the following electoral districts: Annapolis-Kings, Cartier, and Halifax, on June 19 next.

Mr. Daniel McIvor (Fort William): Mr. Speaker, I congratulate my deskmate, but I am sorry for myself. I am sorry to lose such a deskmate. If any other hon. member had sat in my place during this session and the last, he would have appreciated the many fine characteristics of the member who has been removed heavenwards. His outstanding characteristics are Christian courtesy and helpfulness. Fifteen years ago we advised the prime minister to send young men into the Senate. This advice was heeded, and now they are sending wise men from the east. We congratulate the Senate.

Mr. Gordon Graydon (Peel): Mr. Speaker, now that a close personal parliamentary friend of mine, the former member for Halifax, has just completed another stage in what the member for Fort William (Mr. McIvor) referred to as the pilgrim's progress, I could not permit this opportunity to pass without saying a few words. Having come into the House of Commons at the same time as the former member for Halifax who has now been appointed to the Senate, I suppose it is a favourable commentary upon the House of Commons itself to say that political lines interfere but little in the friendships or the good relations that people have with each other in this parliament. I always liked Gordon Isnor. Perhaps that is putting the matter in as plain and simple terms as one can put it. I liked him because he was honest and straightforward. More than that, he was a sound parliamentarian, even though sometimes we did not see soundness in exactly the same way. In addition, he came into this House of Commons as one who had had a wide and successful business career, and in that career, as we all know, he has since had continued success.

I want to say through you, Mr. Speaker, to the new senator who cannot take his accustomed seat among us today, that from this side of the house come the best wishes that a member can have from political opponents or friends on an occasion such as this. It is true that his appointment to the Senate will throw that body somewhat further out of balance, having regard to political affiliations; on the other hand, while I know that the Prime Minister is anxious to see that the Senate does not become too far out of balance, may I say to him that this by-election may perhaps see the House of Commons put in a little better balance.

When the new senator takes his seat I hope he will adopt the same judicial and non-partisan air that some senators have been known to adopt in the past. If he does that and keeps out of party politics, it will help us to win Halifax in the next by-election.

Mr. W. F. Carroll (Inverness-Richmond): As the junior member from the province of Nova Scotia, I want to say how pleased I am at the elevation to the Senate of a colleague who had been one of the members for Halifax. What is the loss to the House of Commons will be the other place's gain. I know of no

other person in Nova Scotia who in the past thirty years has taken such a keen interest in the welfare not only of his own constituency but of every part of the province as well as of this great dominion.

Mr. J. H. Dickey (Halifax): Mr. Speaker,—

Mr. Knowles: The senior member for Halifax.

Mr. Dickey: —speaking for the constituency of Halifax, I should like to say that the many friends and supporters of Gordon Isnor in Halifax will be pleased at the honour that has been done him in appointing him to the Senate. The people of Halifax will realize at least as well as the members of this house how well merited that honour is.

Mr. L. A. Mutch (Winnipeg South): As one of the rapidly dwindling number of members of this house who came here in 1935 for the first time, I should like to express the pleasure it has been for me, as a western member, to have the advantage of the friendship and the advice of Gordon Isnor during these years in the House of Commons. But it is not particularly with respect to that that I wish to speak today. It is in the memory of everyone in this house, and in the experience of many, that during the period of Gordon Isnor's membership in this house the port of Halifax, which he never let us forget, became one of the great strategic war centres of the Dominion of Canada. I greatly doubt, sir, whether during those war years any other private member of this house, in uniform or out of it, contributed more to the good feeling which existed between the civilian population generally and the members of the armed forces than did Gordon Isnor. I dislike to talk in this way, because it sounds as though he were dead; on the other hand it is perhaps the only opportunity I shall have to pay this tribute.

I am morally certain that among the armed forces of the Dominion of Canada there are hundreds, if not thousands, of navy men, army and air force men who have had personal contact with and who enjoyed the benefit of the friendly assistance and co-operation of Gordon Isnor in that port of Halifax through which most of our serving personnel passed.

Because of that fact, and because of the scores, if not hundreds, of personal contacts I myself have had, I am sure that they, together with us, will remember his kindly good offices and will be glad that he has been rewarded—if it is a reward—by recognition by his Prime Minister, and that he has been sent to the place in which he will be able, without the problems that confront us in the House of Commons, to be, as he has always been, the real friend of those men and women in this country who put Canada first.

Mr. G. A. Cruickshank (Fraser Valley): Speaking for the maritimes of the Pacific coast, Mr. Speaker, and having been a guest of Gordon Isnor—and no finer host that I know of and no finer gentleman could have been elevated—I want to congratulate him. Through you, Mr. Speaker, I also want to tell the Prime Minister and the government that I am available from the Pacific coast.

Mr. A. L. Smith (Calgary West): I rise to utter a word of complaint, Mr. Speaker. In Bourinot's Parliamentary Procedure many words are set out as unparliamentary. I think that section should be amended so that when anyone speaks of someone going from this place to the other place and calls it an elevation, he will be using unparliamentary language.

Mr. Mutch: I said "if it is"; I did not say it was.

PRIVATE BILL

FIRST READING—SENATE BILL

Bill No. 152, to amend the Canadian Red Cross Society Act.—Mr. Macnaughton.

BRITISH COMMONWEALTH

REFERENCE TO PRESS DISPATCH AS TO CANADA'S POSITION—THE KING'S TITLE

On the orders of the day:

Mr. George A. Drew (Leader of the Opposition): I should like to direct a question to the Prime Minister. In view of a Reuters dispatch of yesterday's date from Capetown, in which the Prime Minister of South Africa stated as a positive fact that Canada was dissatisfied with her position in the commonwealth, will the Prime Minister take the appropriate steps to remove any uncertainty on this score?

Right Hon. L. S. St. Laurent (Prime Minister): I do not think it requires any deliberation, Mr. Speaker, to be able to state that there is no justification I know of for any such statement to be made by anyone. The dispatch also referred to dissatisfaction with the king's title. That must be based upon some resolution or motion that was before this house a couple of years ago, pointing out that His Majesty's title was no longer in strict accordance with the facts. No dissatisfaction was expressed with the title, but a statement was made here some time ago that it no longer corresponds with the present situation in the commonwealth because the title does not include Ireland. At that time

it was said that when it was modified it would probably not be appropriate for Northern Ireland to be specially mentioned in the title and the other units of the commonwealth lumped together under a general description; and that possibly when consideration was being given to any change in the title there would not be merely the elimination of the reference to Ireland. I know of nothing else that could be any semblance of justification for the story that was shown me last night by a member of the press gallery.

Mr. Adamson: May I ask the Prime Minister a supplementary question? The title of His Majesty was actually changed some years ago, was is not?

Mr. St. Laurent: It was changed some years ago, but since that time the republic of Ireland has ceased to be a member of the commonwealth. It is my impression—I have not the text before me—that the title still reads: "King of Great Britain, Ireland," and so on. It was felt that some change would have to be made there, and it might not be appropriate to substitute for "Ireland" the term "Northern Ireland" and leave the other units of the commonwealth lumped together as "The British dominions beyond the seas."

Mr. Adamson: The change I am thinking of, Mr. Speaker, is in regard to the Indian empire. I am looking at a 1940 five-cent piece; now, our coinage omits the Latin abbreviation "Ind. Imp." I think the change was made in 1947.

Mr. St. Laurent: Yes, and that change was assented to in this parliament by a special act, as is now required by the provisions of the Statute of Westminster.

THE SENATE

INQUIRY AS TO FILLING OF NEWFOUNDLAND AND PRINCE EDWARD ISLAND VACANCIES

On the orders of the day:

Mr. W. J. Browne (St. John's West): Mr. Speaker, I should like to direct a question to the Prime Minister. In view of the fact that over a year has elapsed since the act of union between Newfoundland and Canada, and there are still three vacancies in the Senate to which Newfoundland is entitled, when does the government propose to make these three appointments?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, the government is giving very serious consideration to a number of candidates, and I can assure the hon. member that he will not be omitted.

Mr. McLure: Since we are on the subject of new appointments to the Senate, I should like to address a question to the Prime Minister. We have a vacancy in Queens county, and I should like to know from the Prime Minister when that vacancy will be filled.

Mr. St. Laurent: It is not to my knowledge that there is a vacancy in Queens county. It is to my knowledge that there is a vacancy in the province of Prince Edward Island, and when a decision has been reached with respect to it I will, without any delay whatsoever, bring it to the attention of this house.

SUPPLY

Hon. Alphonse Fournier (Minister of Public Works) moved that the house go into committee of supply.

COMMUNIST ACTIVITIES IN CANADA

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, events of the past few days have suggested the desirability of the immediate consideration of communist activities here in Canada, and the steps which should be taken to deal with the activities of persons who subscribe to those doctrines.

On March 7 of last year I wrote to the Prime Minister (Mr. St. Laurent). At that time I pointed out to him that certain events had indicated the desirability of some action to deal with communist activities in this country. After outlining statements made by communist leaders in France, Italy, Australia, Britain and the United States, I suggested the desirability of taking immediate steps to amend the Criminal Code so that legal authority might exist to deal effectively with those who were seeking to undermine our democratic way of life in this country.

The letter was written at the time for the purpose of indicating to the Prime Minister that I proposed to ask a question in regard to this subject, and to ascertain whether it was the intention of the government to deal with the matter. At that time the Prime Minister stated that the subject was under consideration by the Department of Justice, and that in due course we would be informed as to the result of that discussion. More than a year has passed, and as yet no indication has been given by the government as to the course it proposes to follow in dealing with this very important subject.

Cabinet ministers and others have made a number of statements condemning communism in the most unrestrained terms, and this condemnation has gained increasing force within the past few weeks. If these words are intended to mean what they do mean in the ordinary interpretation, then the time

has come for more than words; indeed the time is overdue for positive action to interpret those words in legislation.

A royal commission was appointed by the government of Canada, and as a result of the findings of that royal commission a number of persons who had been stealing secret records and otherwise acting as agents of the Kremlin in this country were sent to jail.

There has been some tendency to recall the action following the presentation of the royal commission's report as evidence of the comprehensive measures adopted by this government to deal with communism. The fact is that the prosecutions which were launched carried out only to a very limited extent the recommendations of that commission. Now that world-wide communism has reached such a point that no one with any understanding of the real danger of this evil force can possibly regard it any longer as something academic and simply a matter of individual opinion, it does seem appropriate to remind hon. members, to whom after all the royal commission's report was presented, that the recommendations of that commission are still to a very large extent not dealt with. I should like to refer to some of those recommendations and show the extent to which action ceased when the prosecutions were launched which did deal with one aspect of the commission's report.

The first recommendation of the royal commission was:

1. That because of the introduction into the evidence, necessarily and unavoidably of secret technical data, the publication of which, according to the witnesses most concerned, would not be in the public interest at this time, none of the evidence or exhibits relating to any top secret, secret, restricted or confidential matters be published except with the approval of the government in consultation with the heads of the services, departments or organizations concerned.

I submit that in addition to the confidential book published by the government of Canada in February of 1949 there should be a full disclosure of all the evidence and records which are not rigidly and under the most severe terms of security still necessarily secret. The strongest weapon of democracy is freedom of speech and discussion of public issues based upon a full disclosure of all essential information. So that the people of Canada as well as their representatives in this House of Commons may be in a position to deal with this matter and to form their own opinions with full knowledge of all the facts which have been ascertained in regard to this particular form of treachery, I submit that except in the most exceptional cases there should be publication under the terms of that recommendation.

The second recommendation was:

2. That the proper authorities in each service, department and organization take such steps as may be considered desirable and effective, in the light of this report and of the evidence and exhibits, to prevent further unauthorized transmission of information and to set up further safeguards.

The disclosure, which came only after considerable pressure, that the national film board was not carrying out some of its most important duties last year because it was being screened to ascertain whether there were any communists active in its organization, was simply a disclosure that even as late as 1949 effective steps had not yet been taken to deal with this recommendation. And when we speak of further safeguards, there is after all no safeguard so effective as properly drafted laws to deal with functions of this kind.

The third recommendation was:

3. That all security measures should be co-ordinated and rendered as uniform as possible.

When this subject was under consideration in the house last year, on December 7, 1949, it was quite clear from the discussion as it is reported at page 2869 of *Hansard* that steps have not yet been taken to co-ordinate and render uniform throughout the government services and their agencies all measures intended to deal with activities of this kind, wherever those activities may be found.

The fourth recommendation was:

4. That the evidence and exhibits accompanying this report be placed before the proper persons in the various services, departments and organizations affected, for study so that a complete evaluation of the information and material handed over can be made in each case to ascertain in detail what has, and what has not, been compromised. That consideration be given to whether the findings so made should be communicated to the proper authorities in the United Kingdom and the United States.

That fourth recommendation is of special significance today because of the full implications of the Fuchs case in Great Britain. The government has been at some pains, through its appropriate spokesmen, to explain that the handbook containing Dr. Fuchs' name was disclosed to the government of the United Kingdom. But I am not aware that there was a complete evaluation of the information, in the light of the special knowledge obtained by the royal commission here, and that when the material was handed over to the government of the United Kingdom an evaluation of the significance of any particular name in that list had been prepared by the appropriate officials of the Canadian government, in keeping with the

clear and express recommendation I have just read. This is something which today should be given very careful consideration; because it would appear that, wherever the carelessness lay, there was carelessness in dealing with Dr. Fuchs; and that as a result of that carelessness there was a transmission to our only possible enemy, now or in the years immediately ahead, of highly secret information not only as to the actual processes in the manufacture of the atom bomb, but also as to certain preliminary examination of the construction of the hydrogen bomb.

For this reason not only should there be the most complete statement at this time on behalf of the government as to their evaluation of the information in their possession, and the notice they gave to the governments of the United Kingdom and the United States which interpreted their special information in relation to this special knowledge, but we should know to what extent recommendation No. 4 has been complied with. I say that because there were a number of other names in addition to that of Dr. Fuchs in the same notebook; and this House of Commons should know what steps have been taken to follow the activities and actions of those other men whose names appear in that same notebook which today has such tragic and significant importance.

The fifth recommendation of the royal commission was:

5. That The Official Secrets Act, 1939, be studied in the light of the information contained in this report and in the evidence and exhibits, and, if it is thought advisable, that it be amended to provide additional safeguards.

So far we have no indication that, in the opinion of the government, additional safeguards are necessary; nor have we any indication that under this recommendation any steps have been taken to prevent a repetition of the same conduct, or an extension of the same conduct into a wider area of the government service. We do know, from the unexpected disclosure connected with the national film board, that steps have been taken to examine into the activities of certain members of that agency of government. It was also disclosed at the same time that the screening of other departments was taking place. But so far we have no indication of any steps having been taken by the government to carry out recommendation No. 5.

The sixth recommendation was this:

6. That consideration be given to any additional security measures which would be practical to prevent the infiltration into positions of trust under the government of persons likely to commit acts such as those described in this report.

If any steps have been taken along these lines I suggest that it would be appropriate, in the discussion of the resolution which I shall move at the conclusion of my remarks, that we be told just what those steps are, so that we shall have information which will be of use to us in considering what should be done to deal with communism in this country. There is an explicit recommendation there "that consideration be given to any additional security measures which would be practical to prevent the infiltration into positions of trust under the government of persons likely to commit acts such as those described in this report." The time is overdue for the fullest and most effective implementation of that recommendation.

I ask members of the house to listen particularly to the seventh recommendation, in view of the discussions which have taken place in this house within the past few days. It reads:

7. That the practice and procedure in connection with the issue of Canadian passports be revised. While not elsewhere referred to in this report, we have had evidence indicating that naturalization and birth certificates have also been improperly obtained. We therefore suggest that the conditions surrounding the issue of these documents might be the subject of consideration by the proper authority.

We all know that only recently Tim Buck, the leader of the communist party in Canada for many long years, obtained a passport to go to a meeting of the cominform in Hungary, and that he has proceeded from there to Moscow, where he is doubtless at the present time receiving instructions and orders from his lords and masters there. If the issuing of a passport has any meaning or significance at all, then it should be subject to certain conditions which will give it meaning. If a passport is to be handed to anybody and everybody, then let us not pretend that any application is necessary, and give everyone a passport so that he can travel to any country for which he can get a visa. There is only one kind of passport that Tim Buck should have, and that is a one-way passport to Moscow without any possibility of return.

The same kind of passport would be appropriate for others who seem to feel that communist Russia has so much happiness and bliss to offer to the rest of the world provided that conditions there are transplanted elsewhere. Whether it be Dr. Endicott, whether it be Tim Buck, whether it be some other propagandist for Russian slavery, there is no reason why the passport processes of this country should facilitate their movement back and forth on their extremely improper course. There are others whose activities might well be reviewed.

Communist Activities in Canada

A great many people from Canada who are acting as delegates for some of the communist false fronts which have been set up in Canada and other countries find it strangely easy to go behind the iron curtain and tell the people there of the iniquities practised under the government of Canada, and then come back and, with the apparent authority of having been actual visitors to the communist scene, seek to impress the people of this country with the wonders of communism, whether in Russia or elsewhere. I think that seventh recommendation of the royal commission's report should have been acted on long ago, but since it has not been, the time has come for action; passport procedure should mean something, and should provide a method by which those who are carrying on treacherous activities of this kind can be restrained from moving back and forth in that way when their one and only purpose is to undermine the democratic processes of this country.

The time has come when we should realize that freedom of entry is something which should not be extended to those who are flagrantly seeking to carry on a program of false propaganda in this country. While there is no reason why the Red Dean should not be allowed to pass through Canada, as long as he passes through, I can see no reason why he, any more than anyone else, should be permitted to state what is not true about Russia or any other country he has visited, when it is known by everyone who has been in Russia, or who has read carefully any of the accurate documentation which is available today, that his statements with regard to Russia are thoroughly misleading; but unfortunately they mean something because of the dignified position he holds in the church of which he is a member.

These recommendations of the royal commission were made not only to the government of Canada but also to the House of Commons. They stand as recommendations which this house should say in no uncertain terms it wishes to have implemented by its executive, the government, on the one hand by whatever steps may be taken in the ordinary course of its authority, and, on the other hand by the introduction of appropriate legislation to deal with offences related to activities of this kind.

This government at one time felt convinced that it was appropriate to take action. As a result of that decision communists in this country who were occupying leading positions in the communist party were arrested and placed under restraint. My recollection is that some of the leading communists were not arrested at that time; nevertheless action was taken on October 6, 1942. In the Ottawa *Journal* of that date there is a report of the decision of government. I think it is interesting, in view of these recommendations and the fact that previous action had not been taken to implement them, to learn who those people are and what the attitude of the government was on an earlier occasion in regard to some of them. Under the heading, "Tim Buck and sixteen other Reds released", there was a subheading:

No mention of communist party ban. Justice Minister advises Hepburn that Reds freed.

The report went on:

Justice Minister St. Laurent has ordered the conditional release from custody of Tim Buck, secretary of the communist party of Canada, and sixteen other persons against whom detention orders were issued in June, 1940, and who surrendered to police a few days ago.

This information was made public through a release to the press of a telegram sent by the Minister of Justice to Premier Hepburn of Ontario.

Mr. St. Laurent: Have you the date of that telegram?

Mr. Drew: Yes; the report reads, "His telegram dated today". That is in the report of October 6, 1942.

Mr. St. Laurent: That must be erroneous.

Mr. Drew: Of course I have only the report, but the report is dated October 6, 1942.

Mr. St. Laurent: I think that was the report of the decision about incarceration, but the other matter arose a couple of years later.

Mr. Drew: Later?

Mr. St. Laurent: Yes.

Mr. Drew: At any rate, what I have here refers to a telegram replying to the premier of Ontario, and I would remind the Prime Minister that Mr. Hepburn was not premier of Ontario several years later. This was in October, 1942, and that was the last October that Mr. Hepburn was premier of Ontario. The telegram from the then minister of justice to Mr. Hepburn reads:

Your wire of 3rd October reached my office the Saturday after I had left, and I did not see it until this morning. In the meantime had received recommendations from an advisory committee, dated yesterday, that Mr. Tim Buck and sixteen other persons against whom orders of detention had been made in June, 1940, and who had surrendered to the police a few days ago, be conditionally released because their admitted hostility of that period to Canada's participation in the war on the ground that it was an imperialist war has given place to an expressed desire, since Hitler's attack on the Soviet union, and under present circumstances, to support a total Canadian effort.

It continues:

I have accepted these recommendations and ordered accordingly.

As you know, this committee has been sitting in Toronto considering these cases since September 29, and completed the hearings on Saturday, October 3.

In view of the publicity given to your telegram, I am also informing the press.

I would point out that the action in that respect suggested that the activities of the communist party were not to be carried on, and that the conditional aspect of the release was related to that understanding. It does not leave too strong a feeling of confidence as to the way in which the government has from time to time dealt with this subject that in the Grey North by-election, when General McNaughton was a candidate, a number of the most prominent communists in Canada, some of whom had been released under that order, actively campaigned for General McNaughton in that by-election, and that advertisements appearing over the names of such well-known communists as George Harris, C. S. Jackson, Jack Shaw, Pat Sullivan, Harold Pritchard and others were published by the authority of the Grey North Liberal Association.

Nevertheless that is in the past, and the government can make its own decision about the wisdom of having accepted support from men of that type. It is a very high tribute to the good judgment of the people of Grey North, and elsewhere, that they took appropriate action to deal with the support of men of that kind. Nevertheless it suggests a failure to recognize the full seriousness of this threat, both then and now. It is perfectly true that Russia was fighting Germany because it had been attacked by Germany on June 22, 1941, and for no other reason. Russia would still be helping Germany today if Hitler's dream of a united Europe under his control had been fulfilled. Russia was fighting Germany, and because of that it was considered advisable in the higher realms of international decision that all who were fighting nazi Germany should stand together for that purpose; but these men against whom orders for arrest had been made, Tim Buck and others like him, were just the same men as they were before. The fact that Russia was forced to take up arms for the defence of its own soil in no way purified Tim Buck of his treachery, nor did it make any more decent citizens of the remainder of those people than they were before or than they are today.

There are many people who for one reason or another, and undoubtedly with the most sincere purpose in many cases, seem to think that it is not desirable to take positive action against communism, and that the only way to deal with it is to state publicly that communism does not meet with their approval. One reason why this subject should be under consideration in the house at this particular time is certain events of the past few days in different parts of the world. Last week a bill was introduced in the Australian house of representatives which, when it is passed by their parliament, will have the effect of making communism a criminal offence punishable by very severe penalties. On Saturday it was announced that the government of South Africa will introduce in the South African parliament this week a bill to make communism a crime in that country and subject to very severe penalties. Last week it was announced that the government of Malaya has not only decided to make communism a crime, but in certain aspects thereof a crime punishable by the death penalty, and that this new law will come into effect on June 1. Yesterday it was announced that the government of Panama had introduced a most severe act which will make communism a criminal offence there. India has dealt with communism, and has made it a criminal offence; the law has been in effect now for several months.

I think it might be helpful if, while this debate is taking place, we were informed whether this subject was under discussion at Colombo, and whether this uniform pattern which is taking shape throughout the commonwealth was one of the things agreed upon but not disclosed at that time. I believe it would indicate that the Colombo conference was of more use than it appeared to be, if in fact there was such a decision on that occasion. In any event, it is rather significant that there should be this rapid sequence of events of a similar nature in different nations of the commonwealth which were represented at Colombo.

There are those who still take the position that it is not wise to pass laws which would make communism a criminal offence. There is an editorial in today's Montreal *Gazette* under the heading "Its Strength and our Danger", relating to this subject. I should like to read the first two paragraphs:

Whenever it is suggested that communism should be brought under legal control in Canada, many at once reply that this would involve an alarming invasion of civil liberties.

This type of reply has been well and fairly expressed by Hon. L. B. Pearson, Canada's Minister of External Affairs. Mr. Pearson explained that he considered it wise to reserve the penalties of the Criminal Code for those who by some overt act have threatened the peace and security of the country. He thought it would be dangerous to go further.

"Once we make it a crime to hold political ideas," he said, "merely because they are thought to be dangerous, it will then be but a short step to suppressing political ideas because they are not liked."

The editorial goes on to discuss this subject further, but I wish to refer to this statement by the Secretary of State for External

Affairs (Mr. Pearson), which I understand is a quotation from a speech made some time earlier but which, subject to any indication from him that his opinion has changed, I assume can be taken as his opinion at this time. That quotation gains special meaning in view of the statement by the Prime Minister (Mr. St. Laurent) in March of last year, that this subject was under consideration by the Department of Justice. I should like to hear the Minister of Justice (Mr. Garson) tell us exactly what consideration was given. In fact, I should like to hear the Minister of Justice tell us whether it is not a fact that an amendment to the Criminal Code was drafted, which would have had the effect of outlawing communist and similar activities in this country. Certainly I believe the house should be informed at this stage just what consideration has been given, and what the decision of the government is. I hope the government has come to the conclusion to take positive action to deal with activities of this nature.

As I have already indicated, I am not in any doubt that many of those—I most emphatically do not say all—who express concern about the danger to civil liberties from laws which would make communist or similar activities a criminal offence are sincere. I do feel that they still misconceive the real meaning of communism in its modern interpretation, and that they still misconceive the nature of the activities of these agents of the Kremlin. We are not dealing today with any vague or shadowy dialectic consideration. We are dealing today with the most terrifying brutal reality the world has ever known. Nazism and fascism fade into insignificance beside the nature and scale of this horrible and evil force that is spreading its tentacles throughout the world.

When the war ended less than five years ago, one human being out of every twelve in the world was under this vile tyranny. In these five short years 600 million more people have been brought under that form of slavery. The red tide is on the flood. At no point has it stopped or receded. Today one out of every three people in the world is under the most evil form of human subjugation that was ever designed by the tortured brains of men of evil intent. That is the reality, and the flood is still on the move. Within the past few weeks we have seen still further evidence of the mounting forces of communism: fresh pressure in India, China, Malaya, Indonesia, and indeed on the southwestern borders of Russia in Afghanistan and the surrounding states. New pressures have emerged elsewhere, in Italy and in France—yes, right here in our own country.

[Mr. Drew.]

Some people may still regard it as a minor manifestation, but this House of Commons was treated to at least one symptom of that disease within the past week. These things may seem unimportant to us, and merely the expression of a few men. But will we wake up in time? These men are not expressing a political doctrine, they are paid and financed by the Kremlin. Money does not grow on trees, and the expensive publishing and other activities of the communists in our midst require money, and plenty of it. It does not come from the workers in Canada. The real workers in Canada loathe and condemn communism as much as or more than any other people in this country. They are not the ones who are supporting any of these activities. We blandly watch activities of this sort, and regard them with an attitude of tolerant acceptance, without looking upon it as anything very serious.

It is only when one examines the sum total of all these activities, and realizes how they are spreading out into every part of the social structure of this country, that one realizes that tolerance of that kind is not tolerance but sheer insanity in the face of what is happening throughout the world today. If we really love our freedom, if we respect the memory of those who died for freedom in two world wars, the time has come for every Canadian, and particularly for those of us who collectively represent in this house all the people of Canada, to say that we will take the appropriate legislative steps so that freedom shall not be used to destroy freedom itself in the Canada that we love.

When we recognize the fact that communism now embraces in its dreadful grasp a third of the population of the whole world, we should remember that on no single occasion have the armed forces of Russia crossed a single border to carry out the actual aggression that placed other governments under communist authority. It was only after the *coup d'état* or revolution was an accomplished fact that Russian troops were welcomed as brothers in a great cause. Just think of it: the Baltic states, Roumania, Poland, Hungary, Bulgaria, Czechoslovakia, Yugoslavia, China and now other parts of southeast Asia. All these countries came under the control of the Kremlin through fifth columns organized in exactly the same way that a fifth column is being organized in Canada right now. The fifth column in Canada, under Tim Buck and his associates, has exactly the same purpose as had the fifth columns in Czechoslovakia, in Hungary, in Bulgaria, in Roumania or in any other country now occupied by communists, including

China, in which was the largest act of aggression of all. There is no difference. This is not a political doctrine as we understand a political doctrine. This is a plan to carry out revolution in Canada.

Mr. Gauthier (Portneuf): It is more than that.

Mr. Drew: Yes, a great deal more than that. It is the kind of revolution that matters, as well as the revolution itself.

Mr. Gauthier (Portneuf): It is more than that. It is a religion.

Mr. Drew: It is a Godless religion, and that is the horrible feature of it. It is a religion without God. It is a religion which makes materialism in its grossest form the ideal, if possible, of those who serve this cause. It is in all truth the anti-Christ pictured by the bible. I do not wish anyone for one moment to think that I feel any less deeply about this matter than my words would indicate. The depth of my feeling with regard to men like the Red Dean and Dr. Endicott, as well as Tim Buck, is occasioned by the fact that I know of my own knowledge how false their interpretation of communism in Russia really is. Speaking of this being the teaching of the anti-Christ, those who have been in Russia have seen the antireligious museums operated by the state, in which everything that we hold dear is held up to ridicule and to contempt, with the one idea of destroying faith in the minds of youth. Yes, it is true that the churches are open in Russia, but they are in great disrepair, in a state of neglect. You cannot kill Christianity. You cannot kill the belief of a people; and those in power in Russia have not done so. But in every way within their power they are using the mechanism of state instruction in order to try to create in the minds of youth a contempt for the superstition of their elders which interprets itself in a continuance of their religious beliefs.

I have talked to young communists in Russia, and they have frankly said that they pitied the older people for their superstitions; and they indicated quite clearly that they were more enlightened. They had come under the influence of this evil propaganda. It is, in fact, the doctrine of the anti-Christ; and if ever the spirit of evil incarnate was centred in a single human being, it is centred in Joseph Stalin in Moscow today. This is the force we are fighting. Every one of these people who knowingly propagates the Russian form of communism in Canada is serving that foul doctrine and trying to spread it here in this country.

We have been strangely tolerant in many ways. When I broke my remarks at that point, it was because I agree so thoroughly with the statement that had been made to the effect that this is more than an ordinary revolution. The fact is that we do not need to be in any doubt as to what it is that these people are actually working for. According to their own statements, they are working for revolution. Those are the statements of Tim Buck himself. In the textbooks used by the communists in this country, which were seized at the time that Tim Buck was prosecuted and sent to prison, we find that no doubt whatever was left that they were working for an armed uprising. That was the reason that Tim Buck was sent to the penitentiary; he was sent there not because he was a communist but because the kind of communism he was supporting was, by their own statements, working for an armed uprising.

Let us see what he is working for in other ways. This is a definition used by the Canadian communist party as to the meaning of the word "revolution":

> "Revolution" means an historic event when one part of the population imposes its will upon the other part of the population by bayonets, guns and rifles.

Perhaps we understand exactly what they mean when we find these words of Tim Buck himself in one of the many books he has written to explain communism in this country. This is what he says:

> Once we have mastered the political strike, the general strike is but a step, and the general strike during a political crisis is the gateway to revolution.

Surely no communist can be critical if we take their own words as a definition of the intention of their organization in this country. They are working for revolution, and they do not mince words. We do not need to be in any doubt about that. They have not changed at all in that respect.

Even without an amendment to the law, the Department of Justice has been negligent in failing to deal, as it should have dealt, with some of the newspapers published in this country in languages other than English or French. The unfortunate truth is that the centre of communist activity in Canada today is in the city of Toronto, where a great many publications in the languages of many lands are appearing week by week for the purpose of undermining faith in Canada on the part of those who have come here with the one desire of becoming good Canadian citizens.

Just let me read to you a couple of examples. In Toronto week by week is published a Russian language newspaper known as *Vestnik;* and that newspaper, which has a strangely large circulation when one considers

how difficult some people find it today to start newspapers, has statements like this. In *Vestnik* of Saturday, January 14, of this year, appears an editorial which I have had translated by a translator of tested reliability:

> The St. Laurent government should also check the warmongers in the ranks of Canadian military leaders, who, in the persons of General Simonds and retired General Crerar, propagate policies of preparedness and aggression against the U.S.S.R.

I should like to read from an editorial which appeared in *Vestnik* on Wednesday, January 11. I ask you to listen to this as the kind of thing that is being spread, in this particular case, among those who speak the Russian or Slav language:

> The ruthless soldier Crerar is now prepared to sacrifice probably millions of Canadian lives on the battlefront, and on territories of Canada proper, in the atomic war with a view to correcting "the mistakes" made in the last world war. Crerar does not care, either for England, nor for other western European states, nor for Canada—which countries may be turned to ashes in a new world war, started by Wall street. It seems strange that such individuals, to whom Canada's security is entrusted, are permitted to address meetings and conferences. How is it that such individuals, who actually should be put in "straitjackets," are permitted to discuss problems of state politics at authoritative conventions? Canadian people should voice their indignation against the propaganda carried on by such fools, who strive to involve us in a horrible catastrophe.

This is not something to be treated as a joke, Mr. Speaker. There is no effective counter-propaganda going out in the same language to these same people; and this affects a great many people whose minds will be poisoned permanently unless this thing is tackled at the root. I submit, Mr. Speaker, that no new law is needed beyond what we already have to put the publisher of that paper behind prison bars, where he should be for writing an editorial of this kind. If this is not criminal libel I do not know what criminal libel is.

Let me read another editorial just to show the pattern. In *Vestnik* of Saturday, February 4, 1950, under the heading "Hydrogen Bomb" appeared the following:

> The St. Laurent government, which has linked our country with the atomic policy of the U.S.A., is leading Canada to a catastrophe of war and devastation. It is imperative that this government should hear the voice of the people in the forms of hundreds of thousands of signatures on a petition in favour of outlawing the atomic weapon. Canada must break with the insane politics of Wall street and its protégé, Truman.

This is just another example, and this goes on week after week. Again in *Vestnik* of Saturday, February 4, 1950, there is a special article to glorify Tim Buck. When the Department of Justice is looking at the files of *Vestnik*, as I hope it will, I hope it will also look at the name of the Canadian citizen who wrote the article from which I now quote:

> Tim Buck—the greatest product of the thirty-year old communist movement in Canada. He is the founder of the communist party in our country . . . as in 1929 he again emphasized the full importance of the party, as the vanguard of revolution . . .

Don't let anybody talk of this as just an ordinary political doctrine. It is described in 1950 as the vanguard of revolution. We know from their own definition that they mean armed revolution, and always have. No other form of revolution has ever succeeded, because there has not been a single case yet where the communists who seized power were more than a very small percentage indeed of the whole population. To those who still can be so strangely tolerant of communism in our midst it may be well to remember that in Russia, when the third revolution of 1917 took place, and the socialist government of Kerensky was overthrown by Lenin and Trotsky, less than two per cent of the people of Russia were members of the communist party. It may be well to remember that in the seizure of power in what had been one of the finest democracies in Europe, Czechoslovakia, just over a year ago, less than ten per cent of the population of that country had ever supported the communists. That is the picture everywhere. They never expect to seize power through the ballot. They know they can seize power only by creating a fifth column, which, as Tim Buck himself has said, in a time of hardship and disturbance might open the gateway to revolution.

I might say that there are a great number of these papers. The Department of Justice is well aware of many of them. There is such an active communist paper as *Vapus*, a Finnish paper of Sudbury, and *Munkas*, a Hungarian communist paper, published in Toronto. There are communist papers published in Toronto every week in the Serbian, Croatian, Slovak, Russian, Polish, Hungarian, German, Bulgarian, Italian and Finnish languages. And I might of course add that there are also publications in Toronto every week in English. The *Canadian Tribune* is published every week; and there is also in English *National Affairs* published by the same organization.

It is only necessary to examine what these publications say to find the strange uniformity in pattern. I have here the originals of a number of these foreign language newspapers. The one in front of me is the Hungarian paper *Munkas* in which one reads almost the same words as the words which

appear in *Vestnik*. Read *Vapus* and you will find the same things. All this is emanating from some central point. All of it is emanating from some guiding office.

Each of these publications is supplied with clippings, with photographs and with feature articles from their own countries. The diplomatic representatives of these countries here in Ottawa send out mats for the press, photographs and feature articles. And these papers, with no visible means of support, receive telegrams, thousands of words long, direct from Moscow.

It is wonderful how easy it is for some people to publish newspapers at this time, despite the high cost of newsprint and of expensive wire services. And then also, as part of that general activity, some of these diplomatic agencies here in Ottawa distribute propaganda films sent over here from communist countries. These are being used under guidance of these papers which, in the languages of the homelands of many of these people, tell them where they can see these pictures.

Lots of people who hate communism will go to see pictures of the Danube, pictures of Vienna, pictures of Roumania and of Poland and of Czechoslovakia, and of all the countries which they still love, and love dearly—and perhaps love even more because of the terrible conditions there today. These pictures are used to spread communist ideas in the minds of youth.

Over the week end children are brought together and these propaganda pictures—clever, dangerous, and opposed to everything we believe in—are used to attract the minds of youth to this doctrine. These activities extend into every field. We know the false fronts that are developing. Everybody believes in peace. Every decent human being wants peace. Therefore we have peace councils. I see by this afternoon's paper that the Secretary of State for External Affairs is to be visited on Thursday. I do not know that he has given an appointment; I hope he has not, and I do not believe he has.

However, the Ottawa *Evening Citizen* carries the head: Ban the Bomb Delegation Will See Pearson Thursday; Dr. J. G. Endicott With Petitioners Coming to Ottawa. The first paragraph of the article reads:

> A ban-the-bomb delegation is expected to call on the Hon. Lester B. Pearson, external affairs minister, on Thursday, at noon. This information comes from Mrs. Edith Holtom, 5 Hawthorne Avenue, who is active in Ottawa in the Canadian Peace Congress. Mrs. Holtom stated that the interview with Mr. Pearson had been arranged through Prime Minister St. Laurent.

I feel sure that that is a great surprise to the Prime Minister (Mr. St. Laurent), as it would be to any of us.

Mr. St. Laurent: No, it is not. I received a letter from the secretary of this league some time ago asking for an appointment with the cabinet, and asking that I arrange with Mr. Speaker to make the railway committee room available for a presentation of their petition or representations.

I wrote back stating that it was not the practice of the government to assist in publicizing movements of that kind; and that I would not attempt to arrange with Mr. Speaker for the railway committee room or any other room; that if this league had any representations they wished to submit to anybody, of course we could not refuse to hear those representations; that the Secretary of State for External Affairs (Mr. Pearson) would be prepared to receive them if they presented those views before the date of his departure for a real peace conference in London; that if it did not suit them to do that before his departure the acting secretary would receive their petition or representations but that their impression upon the government would not be added to by the numbers of persons attempting to compose the delegation.

Mr. Drew: Mr. Speaker, of course it was only a moment ago that I saw the article in this evening's edition of the Ottawa *Citizen*. But I will say I had thought that this probably was an inaccurate report; because I do think that in these troubled days the government of Canada—and every member of the government of Canada—has more important tasks to perform than to waste his or their time on communist fronts of this kind. After all, no one today is in any doubt about the so-called Canadian peace congress. I think it is the duty of the government, as the Prime Minister has indicated, through the appropriate ministers or officials, to meet every delegation which has some proper purpose to serve by coming here, whether or not one expects that they will have some necessary representations to make; but I think that we are contributing to the public importance of these bodies when these people are received at all.

We have too many of such organizations. We have the national federation of labour youth, the national committee of L.P.P. students, the association of united Ukrainian Canadians, the federation of Russian Canadians, the league for democratic rights. We have all sorts of organizations of that kind with innocent names. But to the extent that any member of the government indicates that

they are to be regarded as public bodies which should be recognized as eminent democratic public bodies, then I suggest the possibility that other members of the public may think that they should be regarded in the same serious manner. And in those cases where it is definitely known that these are merely communist false fronts, then I suggest the wisdom of not giving them added importance by hearing representations that are intended as nothing else but communist propaganda.

This very week a youth gathering is being held in Toronto on Thursday, Friday and Saturday with the declared purpose of discussing peace. Whether he will actually be there or not, it was announced at one time that the red dean was to enlighten them about Russia. These organizations undoubtedly impress many innocent people.

Mr. St. Laurent: Unfortunately.

Mr. Drew: That is an unfortunate and very unhappy feature of these activities. But again we cannot ignore the danger that they will be considered seriously. For instance, here is a circular sent out by the second Canadian peace congress in regard to the meeting being held in Toronto to which I have referred. It is under the heading "The people can win the peace." Everybody is appealed to by the idea of peace and that is the sort of thing which makes appeals of this kind so dangerous and makes the corrosive influence of propaganda of this nature something that we cannot disregard.

Not only is this treachery of a particular form intended to serve Russia by weakening our democracy and by destroying faith in any way possible in our people; it is, as has already been indicated, an anti-Christian force which should be dealt with if only for that reason. No one should be complacent about the fact that there may be only a few thousand Canadian youth who come under the influence of this communist propaganda. If there is any way in our power that we can prevent it, we as the representatives of the Canadian people should take every step within our power to make sure that not a single Canadian youth will have his faith destroyed by these servants of the Kremlin.

There is another aspect of this matter which should be in the minds of members of the house at this particular time. The Secretary of State for External Affairs (Mr. Pearson) leaves at the end of this week. World events are moving fast toward a climax. Peace or a break-down in international diplomacy depends on the conviction in the minds of the thirteen men in the Kremlin that the democracies really mean business.

There are different ways in which we can convince them. We cannot convince the people of Russia, because we cannot reach them. Even if the "Voice of America" or any other powerful radio system in the world could carry this message without being jammed by the costly jamming devices erected by the Russia people, there would still be only a limited number of the Russian people that could hear shortwave messages of that kind. The overwhelming majority of the citizens of that country cannot be reached by such means.

The only people we can convince with any results flowing from that conviction are the men in whose hands lies not only the fate of Russia, but to a great extent the fate of the whole world. They will be convinced by evidence of unity on the part of the nations who have signed the Atlantic pact. They will be convinced by strong and firm and definite statements by the heads of the free nations. But I am convinced that there is another argument which will impress them. If those agents in our midst and in other free countries to whom we extend facilities so readily are able to tell them that the democracies really know what communism means and are dealing with it accordingly, it may have a very profound effect upon the thinking of the men in the Kremlin.

If within the next few weeks we in Canada show that in our own domestic activities we intend to deal with this treacherous force, that will have its effect, just as the action in Australia, South Africa, Malaya, India and other parts of the world has had its effect. It is because I believe not only that action in regard to this evil force is long overdue, it is because I believe that this criminal conduct should be dealt with as criminal conduct, and also because I believe that a strong gesture by the elected representatives of the people of Canada may have its effect that I move, seconded by the hon. member for Vancouver-Quadra (Mr. Green):

That all the words after "that" to the end of the question be deleted and the following substituted therefor:

"this house is of the opinion that appropriate legislation should be introduced so that communist and similar activities in Canada may be made an offence punishable under the Criminal Code."

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I do not think there are many Canadians who do not believe that there is ideological warfare going on and that there has been for a number of years a conflict between communism and Christian civilization. I am sure that there are very few Canadians who do not wish to see that war won by Christian civilization. It is

a matter of opinion as to what are the best methods to be adopted to prevent the spread of communism in our country. I firmly believe that it has diminished over the last few years.

I firmly believe that some years ago communist leadership was, to a regrettable degree, influential in some labour unions and the question arose as to whether or not some action should be taken by legislative authority in Canada to purge the labour unions. That was not done. We relied on the good sense, good judgment, patriotism and Christian traditions of the labouring people themselves to see that they got rid of these obnoxious influences.

I feel quite confident that they did a much better job than could have been done by the police attempting to enforce any laws adopted by this parliament in that regard. Labour unions in Canada are responsible democratic organizations and I feel sure that a large number who have no leaning whatsoever toward communism or any of its affiliated isms would have resented any attempt by legislative authority and the police to determine how their unions should be officered and who would receive votes at their elections. I think that at the present time we all have great reason to be satisfied with the autonomous purges that the labour movement of Canada has carried out in its own ranks. There are laws on our statute books, laws in the Criminal Code, which are sufficient, if applied, to deal with all overt acts directed against the security of the state.

The leader of the opposition (Mr. Drew) has just said that the Department of Justice has been negligent in not prosecuting the publishers of a certain number of newspapers published in Toronto and elsewhere in languages other than English or French, and even one published in English. When we give lip service to the distribution of constitutional powers and responsibility between the federal parliament and the provincial legislation we must continue to recognize that under the constitution the responsibility for the administration of justice in each province is that of the attorney general of that province. The character and tone of these newspapers now published in the city of Toronto are not very different from the character and tone of newspapers published in Toronto while the hon. member, who has just taken his seat, was premier of the province of Ontario and had a devoted and respected colleague as his attorney general.

Again it is a matter of opinion as to when it is advisable to launch criminal prosecutions. For my part I am not prepared to say that the attorney general of the government of which the hon. gentleman was the leader was negligent. I think, in his judgment, he did his best to maintain law and order in that province, and that if he had been of opinion that treasonable acts were being committed in the city of Toronto that were really dangerous to the security of the state he would have taken action.

Mr. Drew: I do not wish to interrupt the Prime Minister but I think that an incorrect impression should not be left here. I would remind the Prime Minister that communist activities are peculiarly under the authority of the Department of Justice, and that the provincial governments have no facilities available, nor have they attempted to set up facilities, to deal with this particular problem.

Mr. St. Laurent: Mr. Speaker, it is not proper to say that communistic activities are under the Department of Justice. By statute the Minister of Justice (Mr. Garson) is the head of the Royal Canadian Mounted Police. The Royal Canadian Mounted Police are active in endeavouring to suppress every kind of activity that might be a threat to the security of the state. They co-operate with provincial police forces, and have the co-operation of provincial police forces. But when prosecutions are to be instituted before the courts it is the privilege, the responsibility and the duty of the attorney general of the province where those activities are carried on to institute the proceedings. Of course there is a difference between peacetime administration of justice and wartime measures taken for the security of the state. The hon. member referred to what was done in 1940 and 1942, but that was done under the Defence of Canada Regulations which had the authority of law under the War Measures Act, and which no longer have the authority of law in this country, a thing for which we are all thankful. We are all thankful that conditions in Canada are no longer such that the special measures required during the war period still need to be applied. We are now in peacetime, and the administration of justice is the privilege and responsibility of the departments of the attorneys general of the respective provinces.

I am not suggesting that they are not doing their duty. They do their duty in the manner that they think best. One of these attorneys general attempts to administer a padlock law. There is much resentment in many parts of the country over his attempts to do so.

Since the report of the royal commission we have been giving close and careful attention to the recommendations contained therein. I can assure the house that nothing

that we felt could be done effectively to implement those recommendations has been left undone.

We have at times been subjected to questioning and criticism in this house because of the existence, for instance, of a security panel co-ordinating security measures adopted by all the different departments of government to ensure that the vulnerable departments of the state will be served only by persons in whom the heads of those departments can have implicit confidence. That was commenced even before the report of the royal commission was published. While the report was still in draft form and we had the advantage of knowing some of its recommendations this interdepartmental security panel was set up.

It is difficult for one to be quite positive in one's own mind as to how much one should disclose of the protective measures that are taken for the security of the state, because those who might be a threat to its security are sometimes pretty clever in the methods to which they resort in order to withhold information that would lead to proper conclusions in respect of them. I do not think it would be in the interests of security to describe too particularly the safeguards we are attempting to set up, just as trappers do not try to make their traps too obvious when they are placing them in the paths that game sometimes follow. I can assure the house, however, that we have been very much concerned about security.

It is no pleasant responsibility to have to do some of the things that I felt it was my duty to do when I was minister of justice in connection with the disclosures arising out of Mr. Gouzenko's declaration. I endured many a slap on the wrist in this house for the methods that were adopted to handle the situation. We do not want a repetition of such a situation if we can avoid it by any possible means. We have been taking all precautions that can properly be taken. One of the hon. members in the house this afternoon will recall the questions he put about the existence of snoopers for the purpose of finding out about prospective civil servants.

The association for civil liberties is not a communist organization. It is composed of a great many people with whom a great many other people may not agree as to all their views, but it is an association of which the president is the Rev. Dr. R. S. K. Seeley, the vice-presidents being Professor Harry M. Cassidy, Rabbi A. L. Feinberg, Mrs. W. L. Grant, Charles H. Millard, M.P.P., Joseph Sedgwick, K.C., Dr. Malcolm Wallace; of which the treasurer is Rev. W. P. Jenkins; the executive secretary, Irving Himel; chairman of committee for a bill of rights, Dr. B. K. Sandwell, the editor of *Saturday Night;* chairman of committee for academic freedom, Dr. Malcolm Wallace; chairman of committee on group relations, Miss Vivien Mahood; chairman of legal committee for civil rights, J. S. Midanik. It has an advisory board consisting of F. Andrew Brewin, K.C., R. G. Cavell, David Croll, K.C., M.P., William Arthur Deacon, Rev. Gordon Domm, Rev. James Finlay, Anne Fromer, Professor C. E. Hendry, G. A. Martin, K.C., Norman J. McLean, E. B. Jolliffe, M.P.P., Professor Charles E. Phillips, Professor E. J. Pratt, Senator Arthur W. Roebuck, K.C., Harry Simon, Professor George Tatham, and Professor H. Wasteneys. This association presented a brief to the senatorial committee on civil liberties and human rights concerning the desirability of a bill of rights. It was a statement of what they thought should be, by constitutional amendment, put beyond the touch of common members of parliament dealing with the everyday business of the nation, something that would be absolutely sacred.

Article 19 of their declaration reads as follows:

> Everyone has the right of equal access to public service in the country.

Article 20 states:

> Every person is entitled to all the rights and freedoms above set forth without distinction of any kind such as race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status.

Article 17 states:

> Everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinions without interference and to seek, receive and impart information and ideas through any media and regardless of frontiers.

With regard to passports, article 13 of this declaration states:

> Everyone legally resident in Canada has the right to freedom of movement and residence within the country, and the right to leave and return to Canada.

Those are things that a substantial body of public opinion in Canada think should be made a part of a Canadian constitution. They are good, honest Canadians, concerned about their own rights and about the rights of their fellows. In these matters there is room for diverging opinions as to what are the best methods of combating the spread of communism. For my part, I have been preaching for many months past that the best method of combating communism is to make democracy work as a system benefiting no particular classes or groups, but benefiting all the members of the population. There will be little danger of the spread of communism if all our

people realize that it is the desire of those representing the majority of the people in Canada to have laws that enable each to get a fair share of the welfare which Providence makes it possible to provide for everyone in the country.

I do not attribute any special effect to that preaching, and I have not been alone in preaching it; it is being preached by a great many others. But I do believe that with respect to communism we are in a better position today than we were a few years ago. It is disagreeable to have these organizations that we are inclined to believe are false fronts before us to receive their petitions and complaints. The hon. leader of the opposition must have been bothered, as many of us were, by those gentlemen—I shall call them that here—who were calling themselves the Unemployment League of Canada or the Unemployment Association of Canada, and who had briefs and petitions to present to us. They waylaid me at more than one place, and on one occasion they had these briefs to thrust into my hands. I said, "Gentlemen, I have other occupations at this moment. We have a good postal service, and if you have anything to communicate to me, put it into the post office and when received it will get the consideration it deserves". It is difficult to turn down requests to be allowed to present petitions.

I believe that perhaps one of the best arguments against these people is found in the fact that they are allowed to do these things. It establishes the best possible contrast between what happens in a democratic country that is confident of its ability to maintain its democratic institutions, and what is enforced by fear and police in the totalitarian states. Perhaps that opinion is shared by others.

With respect to the fact that Mr. Tim Buck and Dr. Endicott have travelled abroad, I do not know whether the leader of the opposition read the article in the *Globe and Mail* today which has a leader dealing with that particular subject. The last paragraph of it is in the following terms:

> Some people question the wisdom of giving such people as Buck and Endicott the passports they need for their baleful itineraries. But surely it is better to let them go than to keep them at home. They do Canada no real harm because what they say in Russia merely confirms an ignorance already total. But they discredit themselves and their cause in the eyes of the Canadian public in a highly satisfactory way. No argument against the Canadian communist party could be half so convincing or so damaging as the argument that Buck and Endicott have themselves supplied.

I am not reading this because I agree with every word that is in it, but merely in support of my argument that this is not a question of party politics in Canada. It is a question of individual opinion as to what is the best way to deal with this obnoxious growth in our midst. There are honest, patriotic Canadians of my party and the hon. gentleman's party, of the C.C.F. party and the Social Credit party, who have views that are the same, and there are others, probably in my party as in other parties, who think that a more drastic way of dealing with the obnoxious growth would be more effective.

There are interesting experiments being attempted at the present time in Australia, South Africa, Malaya, Panama, and India. We will be interested in seeing what are the effective results of that method. There are other things being practised across the border, a sort of witch-hunt. Committees are being set up charging the department of state with being overrun with communists or communist sympathizers. People are saying, "I assert that there are communists in the department of state, and until you put the F.B.I. files at my disposal I am not in a position to prove it, but I will still assert it." I do not think that has created a very favourable impression on our Canadian public. I do not think that the charges against General Marshall of incompetency, and his leanings while he was secretary of state, have carried much conviction in the judgment of Canadians who know anything at all about the former secretary of state. I do not think that the charges levelled against the present secretary of state, Hon. Dean Acheson, are disturbing us a great deal about him. But again there are no doubt some Canadians who think that the strong hand, the padlock law and such measures are the appropriate methods to be adopted. It may happen that they are right. But up to the present time the methods we have followed here have coincided with what appears to have been a diminution in communistic activities. This is something which all of us frequently have to talk about. I was talking about it in Windsor, Ontario, in March, 1949. I then cited the *Globe and Mail* because of the fact that my view had been that this is not a partisan party thing but rather a thing as to which Canadians, regardless of the political party to which they belong, have diverging views. I cited an article from the *Globe and Mail* which reads as follows:

> How to meet the communist threat to liberty is a two-sided question for Canada as for other free countries. One half of the task is checking Soviet aggression and the other is curbing communist influence in home territory. The North Atlantic pact is the obvious answer to the first problem. It is harder to find the right method of dealing with the second.

That is the end of the quotation. Then I went on as follows:

They—

That is to say, the *Globe and Mail.*

—do not pretend to have found a solution for it in an absolute manner but they do say this which I also read without feeling any revulsion in my mind.

And I quoted this further paragraph:

Any law which merely forbids communism as such is objectionable; but there can be no argument against a law defining the opinions and preachments the community will not tolerate. Recently the communist leaders in France, Italy and other countries have said, directly or by implication, that their followers' duty in any future war would be to work and fight for the Soviet union.

Then I went on:

With that I fully agree. That is or would be, if said or attempted to be practised in our country, treasonable conduct for which we have plenty of laws to protect ourselves and laws with plenty of teeth in them to prevent that from going on here but I do not like the kind of laws that you put in the statute books and then put the statute books away and forget about them. That is not the way to maintain respect for the law in a free country.

I also expounded then the same theory, that the best antidote to the spread of communism was to make our free institutions really work, and work in a manner that would give satisfaction to all sections of the population. I repeated that statement recently in Toronto, citing this paragraph from Dr. Vannevar Bush about the prevention of a shooting war:

It need not come if we fully maintain our strength. It need not come if we realistically enough and with enough determination resolve that it shall not. It need not come if we really learn to make our democracy work. It need not come at all, for if the strength of free peoples prevents it for a generation, that same strength can then produce a new sort of world in which great wars will no longer occur. For this consummation we face a task that will test us as we have never been tested before, that will test whether we really mean it when we say that we believe in human dignity and human freedom, whether we can really submerge selfishness and petty motive, and bring our enormous latent power to bear, to make our way of life function with true effectiveness for the good of all.

With that expression of confidence and with the methods indicated as necessary to justify that confidence, I think most members of this house would be in full agreement.

I will not trouble hon. members by citing any more of my own speeches; they are of the sort that many of them have been making themselves.

Let us make democracy work, and work in such a manner that practically all of our people will feel its benefits; that they will then wish to retain it and defend it because they will know that it is not only a much better system than what communism realizes but better even than what communism promises.

We must maintain a fair balance between the rights of the human individual and the abuses that human individuals may commit against society. But I would be sorry to see it become a crime to hold opinions unless, as a consequence of those opinions, one did something that threatened the security of the state.

Mr. Angus MacInnis (Vancouver East): I imagine, Mr. Speaker, that most of the members in this house would agree with much of what the leader of the opposition (Mr. Drew) said before he introduced his motion at the end of his speech. But I would be sorry indeed if a majority or even a small minority of the members of the house had agreed with the motion. The motion, if you will examine it, is extremely broad. If it were carried and if legislation were founded upon it, how it would be interpreted by those who had to interpret and enforce the legislation might be a sorry thing for this country indeed. Let me read the motion so that we can get it better in our minds. It reads as follows:

That all the words after "that" to the end of the question be deleted and the following substituted therefor:

"this house is of the opinion that appropriate legislation should be introduced so that communist and similar activities in Canada may be made an offence punishable under the Criminal Code."

We may be able to define a communist, legally, as a member of the communist party; but who is going to define "similar activities" and what would be similar activities? The leader of the opposition, early in his speech, made the following statement. I think I have it correctly; but even if I have not the correct words, I am sure he will agree that I have what he intended to say. He said: "The strongest weapon of democracy is freedom of speech." Then he went on: "A discussion of public issues based upon a full disclosure of all essential information." If the strongest weapon of democracy is freedom of speech, surely any curtailment of freedom of speech curtails or lessens that democracy. We cannot have it both ways.

I believe that I am just as much opposed to the communist party and its philosophy as is the leader of the opposition, or as far as that goes, as anyone in this house can be. I abhor the communist party and all its works. I abhor its policy of force and violence; I abhor its policy of dictatorship and suppression of every freedom; but above all, I abhor and reject it because it has reversed human values. It has raised dissimulation, lying and deceit to the eminence of virtue. On the other hand, it has degraded truth,

integrity and fair dealing as between man and man, group and group, nation and nation, to the category of vices. Because it has done that it is hard, if not impossible, for anyone who believes in the virtues that it has turned into vices to have any association with communists under any circumstances, because you just cannot believe at any particular moment that their words mean what the words imply in our language and in our meaning. On that score I think there is very little difference between the members of this house.

Mr. Drew: Mr. Speaker, may I ask a question, because it might clarify my own understanding of the situation presented by these words? In the amendment to the speech from the throne, as amended by the party to which the hon. member now speaking belongs, appears the following words:

> Failed to take adequate measures to protect civil liberties and at the same time curb espionage and other harmful activities of communists and fascists in Canada.

I would have thought that this was entirely in line with this motion.

Mr. MacInnis: I doubt whether it is in line with this motion; but I submit that our sub-amendment had to be based on the wording of the amendment before it, and because of that certain phrases had to be used. In any event, I do not agree that this amendment and the other amendment have the same meaning.

In the session of 1948 a bill was introduced by a private member with phrasing somewhat similar to that proposed in this amendment. In speaking to that bill I made the following remarks, which will be found at page 2926 of *Hansard* of 1948:

> May I point out that no country ever saved itself from revolution or from overthrow by oppressive laws. If oppressive laws have any merit, if they would prevent subversive methods from growing, the communist party would never have come into existence, but the fact of the matter is that the communist party grew and prospered where oppression flourished. There is only one way in which freedom can be extended. That is by extending it. We cannot extend freedom by limiting it. We have laws now on our statute books for dealing with sedition and overt acts. Let us apply these laws where and when there is need, but do not let us begin to make laws to ban ideas, because such laws just won't work.

That was my position in 1948; that is my position today. We cannot make laws to ban ideas but we can make laws to deal with overt acts. It has been my opinion for a long time that the danger from communism lies mainly in the lack of the people's understanding of what communism really is and the conditions out of which it grows.

If there had been freedom of thought, freedom of political action in Russia, prior to 1917, as there was, say, in the United Kingdom and in other countries of western Europe, there would have been no communist party in Russia, and no revolution of the kind that took place in Russia in 1917; but because everything that the czarist government did not believe in, and every thought that they felt was a danger to their safety, were suppressed, there developed the conviction that since we cannot change existing conditions by peaceful means, and if we are going to change conditions at all, then we must change them by force.

I have been troubled, as I said, because I find that even today, despite all we have learned since 1917 of what communism means, and all we have learned since the end of the war of social, economic and political development in communist controlled countries, people do not yet understand what communism means. I say, understand how it works, and understand how and why it grows.

Following the Soviet union's share in the war against Hitler, the Soviet union gained millions of friends among the peoples who were in that war on the same side, but they overlooked entirely how the war began, what it was that gave Hitler his opportunity, and they overlooked entirely how the Soviet union came into it. They saw only that the Soviet union put up a wonderful struggle in opposition to nazism. Then, as the various conferences took place from 1944 on, among Stalin, Roosevelt and Churchill, I saw in conference after conference the allied leaders giving away concrete concessions of great value to Stalin for, on his side, promises about abstract principles which he never intended to honour, promises he never intended to keep; there was the exchange of territorial concessions for a promise that democratic elections would be held in various countries coming under communist control.

That is the sort of thing that troubles me. While the Chinese civil war was going on I got myself disliked in social gathering after social gathering because I disagreed with people who insisted upon telling me that the Chinese communists were not communists at all, not communist like the Russian communist, but merely simple peasants who were trying to better their conditions.

It is true that the great mass of the Chinese people were not and are not communists; but it is equally true that those who were directing the civil war were and are communists who accept the same philosophy as the communists of the Soviet union. As a matter of fact, so deluded are people who ought to know better that in 1944 the chief justice of British

Columbia took a Sunday evening off to speak at an open forum in a church to justify the purge trials in the Soviet union in 1936, 1937, and 1938. He went over the evidence to prove that these trials were completely justified. The trials, Chief Justice Farris believed, showed that Leon Trotsky headed a vast plot to set up a fascist government in Russia and hand over vast areas of Soviet soil to Germany, Poland and Japan. He believed the trials showed that Trotsky plotted to kill Lenin and Stalin in 1918, and that he and his quislings had intended to enter into active negotiations with Germany in 1921. But he did not tell his audience that Stalin not only intended but did negotiate and make a treaty with Hitler. Then he said:

> Is there any wonder, when Stalin's closest associates plotted against him, that he has a suspicious nature, or that he is hostile to the Polish government in exile.

It is that sort of inane thinking on the part of peoples who should know better that is responsible for the lack of understanding in this country of what communism means, and what should be done to combat it.

What should be done to overcome communism? I agree very much with what was said this afternoon by the Prime Minister (Mr. St. Laurent). I said in my speech on April 13, 1948, what I would say here today. Let me read from that speech a short paragraph which sets out my idea of how we can combat communism:

> What is needed in this country is not a law to make illegal parties and ideas that we do not like, but that we should as quickly as possible improve the quality—I emphasize that, improve the quality—of our democracy by abolishing social inequities and making our economic democracy as pervasive as our political democracy. That is what this parliament has to do, and when we do that I have sufficient confidence in the common sense and good judgment of the Canadian people to be satisfied that we shall not need any repressive laws such as this bill would put into effect.

If I were to change the words "this bill" to "this motion" these same sentiments apply today.

Where do communists get their following among the various strata of society? They get a following among intellectuals who feel that their contribution to society is not being appreciated. These people get a feeling of inferiority; then they gravitate to the communist party where they are made much of.

Only a few days ago I was talking with a lady from the United Kingdom who is visiting Canada. She told me, and a few others, what the Labour party in Great Britain was trying to do, or was doing, to raise the standard of living in the colonies, particularly among the coloured people. She said they were bringing thousands of them to Great Britain for education in the schools and universities. But, she said, as the government brought them over they would be met at the boat by members of the communist party and taken to some home for a social evening. Before the evening was over they would be given a little pep talk on the evils of the Labour government and, of course, on the glories of communism.

Of course the solution to a situation of that kind is that we who believe in democracy should be as active in support of it as is the communist party in support of communism. And until we believe in democracy so that we shall be as active, we shall be losing the fight for democracy.

The most amazing thing of all is that church people, ministers of religion, should remain in the church and in the communist party at the same time: It is a most amazing thing to me. I think it must be because they have lost faith in the efficacy of their spiritual teaching or their hold on spiritual things, and have not the courage to make a clean break with what they have lost faith in and embrace their new found religion.

When we come to another section of society, the working class, it is the poverty-ridden, the people who have no say in their own particular industries, who are affected, workers whose employer has the last say in everything. These are the people who grasp at the communist promises of freedom and power in the world of affairs.

As long as we have either here or anywhere else wealth and poverty, luxury and squalor, learning and ignorance side by side without doing our best to change their position and bring about equality, so long shall we be carrying on a losing fight with communism. Free people will not be content to remain merely free with limitations. As long as they are prevented from gaining the heights where they see other people, they will strive to reach those heights by whatever means may seem to be available to them.

I do not intend to take up much of the time of the house because I did not know that a matter of this kind would be raised. Had I known, and if I had the time, I have sufficient material available to keep me going the rest of the afternoon and evening. However, there is one other point I should like to raise before I sit down. The leader of the opposition said that he thought the government should not meet delegations from communist or their front organizations. I believe it would be wrong for the government not to meet such delegations.

I am glad that I can tell my communist friends that conditions are better here because we have more democracy, because it is much

easier to see the Prime Minister of Canada than it is to see the prime minister of Russia. You do not have to get past so many people before you see him. I would hope that that would be the case if the leader of the opposition were sitting on the other side of the house. I would feel very sorry if it were not.

I think it was about 1934 that a delegation came down here to see the Prime Minister of that day.

Mr. Coldwell: July, 1935.

Mr. MacInnis: It was during the term of the Right Hon. R. B. Bennett. This incident has gone into history. This was a delegation of unemployed from western Canada. They stopped off at Regina and there was some trouble there. They then came on to Ottawa. One of the leaders was a fellow by the name of Evans and I saw him after the prime minister had met the delegation. I am sure that the feeling in the country was much stronger then than it is today because there was more misery. He told me that he had told the prime minister he was a damned liar. That is the sort of thing a communist can do in this country and live to tell the story, but it is not the sort of thing he could do in Russia and live to tell the story. Even if he were able to see the prime minister of that country he would not dare tell him what he thought of him.

I hope that when these people attempt to make appointments with ministers of the crown such appointments will be made as they would be made with people representing other sections of the community. These people should be shown that democracy in this country is for everyone as long as they allow democracy to operate. I agree that communists make it very difficult to deal with them as one would like to deal with people, but as long as they do not make it impossible we should practise the democracy we preach and not enable them to say that our democracy is a sham. Let us show them that it is deep and broad, that it is available to everyone in Canada who wants to make an effort to make it work.

Mr. Daniel McIvor (Fort William): Mr. Speaker, I should like to say a brief word because I am convinced that any man who is elected to this or any other legislature should have a standard by which he can test anything and everything. I must admit that I was proud of the Prime Minister (Mr. St. Laurent) when I saw the following heading and article in the Ottawa *Citizen* of yesterday morning:

P.M. says world in need of spiritual rebirth.

In these troublesome times, Mr. St. Laurent said, a spiritual rebirth is more required than the ingenuity of man. "We need faith by deeds, genuine brotherhood cannot be achieved without faith in God."

Any nation that leaves God out is bound to go to the bow-wows sooner or later. Russia has treated God as a myth. Our Prime Minister worships as he was taught by his mother to worship, and when we have a Prime Minister who says that faith in God is our foundation then the legislation that comes from this house is going to be a credit to that foundation in which the Prime Minister believes.

Solomon was the wisest man of the Jewish nation. He sought satisfaction from wealth and money; he sought satisfaction from enjoyment and many wives; he sought satisfaction from public buildings; but when he wanted to build up the whole thing on the proper foundation he told the people they should fear God and keep his commandments. If we as members of parliament and as members of the Christian church build on that foundation the devil of communism will have to hide his head.

Mr. E. G. Hansell (Macleod): Mr. Speaker, may I say in a kindly way that I believe it is a matter of courtesy that when a debate such as this occurs in the house each party takes part in it in rotation, and we usually come in at the last. When I saw my friend, the hon. member for Fort William (Mr. McIvor), rise I thought by conceding the floor to him he might even go on until six o'clock and my speech would not be broken. I regard him as a friend and he never takes too much time in the house. This time, however, he cut his speech too short, and it is now only six minutes to six. Would you care to call it six o'clock, Mr. Speaker? I should like you to do so, but if not I will go on.

Mr. Deputy Speaker: Is it the pleasure of the house that I call it six o'clock?

Some hon. Members: Agreed.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

PRIVATE BILLS

ALBERTA NATURAL GAS COMPANY

The house resumed, from Monday, May 1, consideration in committee of Bill No. 7, to incorporate Alberta Natural Gas Company—Mr. Maybank—Mr. Dion in the chair.

Alberta Natural Gas Company

On section 1—*Incorporation.*

Mr. Cruickshank: Mr. Chairman, when the hour for private bills expired last night I had taken five minutes of the time of the house, and I should like to take up a few minutes more tonight on this subject which is of vital importance to my province and to the economy of Canada. I intend to start in a different way tonight, Mr. Chairman, because I believe that in a matter of such importance as this, we should have the support of all the members of this house. I should like to point out that I have yet to come here with a typewritten speech on these pipe line bills prepared for me by someone else. I have plenty of data that I could quote. In fact, I have a book full of clippings.

I am sorry the Minister of Public Works is leaving, because I am going to refer to something that should be brought to his attention. I am glad to see that he is returning. I do not intend to quote from the data I have compiled, although I could make a forty-minute speech by doing so. I intend to refer to the Chignecto barrier, but I am not going into great detail about it. I received a booklet concerning it, from which I intend to read. I am doing so because I am appealing to some of my friends on the right, and some who are over on the other side, who have spoken disparagingly of the rights of British Columbia.

Mr. Fournier (Maisonneuve-Rosemont): Name them.

Mr. Cruickshank: I have never indulged in personalities in this house, but if the name of one is required I shall name the member for Charlotte.

Mr. Stuart (Charlotte): And he will speak in that manner again when he has the opportunity.

Mr. Cruickshank: I shall quote what the people in his own district say. I am not going into details about this Chignecto barrier, but this is the little booklet I got today entitled "The Voice of the Maritimes". So far as I have been able to ascertain in this house, the voice of the maritimes has completely forgotten the maritimes of the great Pacific. This booklet calls for the construction of the Chignecto canal. I wonder if some of those maritime members who are opposing justice for the provinces of Alberta and British Columbia will answer? I am going to put on *Hansard* the various organizations that took the trouble to mail this to me, and I presume to other members, at great trouble and expense to themselves. It appears to have been published and distributed by the Chignecto canal committee, Sackville, New Brunswick. I understand that New Brunswick is part of the maritimes. British Columbia has supported every move that part of the country has made for justice.

Before I continue, I should like to draw to the attention of the Minister of Public Works the fact that this booklet contains a nice map in which he may be interested some day. It covers the territory from the gulf of St. Lawrence to the bay of Fundy. If that canal is ever built, and I do not say that it should not be built, the people of Canada will be called upon to pay for it, including British Columbia and the riding of Fraser Valley. They have paid for the Welland canal, and every other development in eastern Canada.

Mr. Stuart (Charlotte): Including the diking of the Fraser valley.

Mr. Cruickshank: The hon. member will have an opportunity of speaking, and I shall be only too glad to hear the member for Charlotte speak, but not about petty smuggling across the line in his district. I live on the American border but we do not worry about the mounted police or smuggling because we are honest people in that district.

I am now going to name the different local committees supporting the construction of the Chignecto canal. They are located at Amherst, N.S.; Annapolis Royal, N.S.; Bathurst, N.B.; Bear River, N.S.; Campbellton, N.B.; Canso, N.S.; Caraquet, N.B.; Carleton county, N.B.; Charlottetown, P.E.I.; Chatham, N.B.; Chipman, N.B.; Clarke's Harbour, N.S.; Dalhousie, N.B.; Digby, N.S.; Edmundston, N.B.; Fredericton, N.B.; Grand Falls, N.B.; Grand Manan, N.B.; Hantsport, N.S.; Hartland, N.B.; Kentville, N.S.; Moncton, N.B., and Newcastle, N.B.

The Chairman: Order. I do not think the remarks of the hon. member are relevant to the item under consideration.

Mr. Cruickshank: Mr. Chairman, I will bow to your ruling because the people of the maritimes will know that when their members will not support British Columbia, Alberta, and the whole economy of Canada in the development of the resources of Canada for Canadians, they cannot expect our support in the construction of the work mentioned in this booklet. We are only asking that the Canadian route be adopted for the development of the resources of our own province.

I was interested in hearing the member for Coast-Capilano outline why we believe the timber of Canada should be processed within our own dominion. I have made that

remark myself. We believe the same thing applies to our fish and other resources. The surplus, of course, could be exported to any market we can find for the product.

Mr. Johnston: What price are we paying for British Columbia lumber?

Mr. Cruickshank: I will just tell you this. If you were paying for British Columbia lumber what we are paying for No. 4 Alberta wheat, you would be doing very well.

Mr. Johnston: That does not answer the question at all.

Mr. Cruickshank: I do not want to delay proceedings on this matter, Mr. Chairman.

Some hon. Members: Oh, oh.

Mr. Cruickshank: I hear laughter from some quarters. I have been disappointed in some of the support that we secured in connection with our efforts to develop not only Alberta and British Columbia but, as we saw it, the entire economy of Canada. Particularly have I been disappointed that northern Alberta and northern British Columbia did not appreciate the great opportunity that had been afforded us by both of the companies; and I say by both of the companies to a certain extent but definitely, as to northern Alberta and northern British Columbia, by one company. In northern British Columbia we have possibilities that equal anything as yet produced in that great province of Alberta. I cannot understand why, all of a sudden, after a couple of excellent speeches—and I was a little bit surprised that each speech took up forty minutes of our time, because I do not believe in that sort of thing—from Alberta members in the far corner, closure was put on, and not another word and not another peep came from our friends in the Social Credit party. There is one advantage we in this party have, Mr. Chairman. Nobody puts closure on me or on any other Liberal member. But apparently it is possible for the great Social Credit party to be dictated to as to when they must and when they must not talk. That is, however, their privilege. If they are not anxious to develop their great province—

Mr. Low: How do you know?

Mr. Cruickshank: If you are not as anxious to develop your great province as is your fine premier, it is not to your credit.

Mr. Low: Maybe we ought to call in the hon. member for Fraser Valley to advise us.

Mr. Cruickshank: It would be a good idea if you called in the member for Fraser Valley to advise your little group. You would then have a far more advantageous stand.

An hon. Member: Order.

Mr. Cruickshank: I do not have to be called to order by the hon. member from Charlottetown or any other member from the maritimes. If the chairman calls me to order, I will sit down; but I will not be called to order by any maritimer, I will tell you that right now; and particularly after what we have done for the maritimes, and how we have supported them.

Some hon. Members: Oh, oh.

Mr. Gauthier (Portneuf): You still have forty minutes to go.

An hon. Member: Filibuster.

Mr. Cruickshank: Filibuster nothing. And even if it is a filibuster, I am not ashamed of the fact that it is, when I am fighting for my own province and for my own riding.

Mr. Gauthier (Portneuf): That is quite an admission.

Mr. Cruickshank: I notice one thing about my friends here. We were asked just a short time ago by certain interests from the province of Ontario to raise the tariff on pipes in order to protect a concern at Hamilton, and my friends did not object to a little filibuster then; but some eight western Canadian members prevented that. I understand what some members said, and it is apropos of our argument that we need this natural gas to develop industry and to decentralize it in Canada. I remember very well one member who was in favour of the United States route advocating that his province and two other provinces secede from Canada because it cost $40 more for a frigidaire in his district. That is a different story. I should like him to answer that. He is good at talking when he is working against the prosperity of western Canada; but when he wants to bring these frigidaires in $40 cheaper, he would advocate that three great provinces of Canada secede from the British empire on account of a frigidaire.

I do not want to go back too long to the committee we had the other day, Mr. Chairman; because, as I said, I do not think that committee or any such committee that ever sat in this house was a credit to it. It was dominated and dictated to by one member.

An hon. Member: You should have been on it.

Mr. Cruickshank: Yes; I should like to have been on it.

An hon. Member: Why weren't you?

Mr. Cruickshank: If any of you people want to make a speech that is all right; and if any of my friends behind the curtain have

not the courage to come into the chamber and ask me questions, they should not ask them. This committee was dominated, in my opinion—and I am expressing my opinion only; anybody who wishes may contradict it—it was dominated and dictated to by one individual who was the sponsor of a bill.

It was stated in the house—and this can be checked in *Hansard*—that the Westcoast Transmission Company, for which company I had the privilege of sponsoring a bill last year, have an application before the transport board for a United States route as well. I said at the time, and I repeat it, that when you are in a battle the first thing you learn to do is to protect yourself in the clinches. That is exactly what that company did. I want to point out through you, Mr. Chairman, to the members of this committee that what was stated yesterday and what was stated in the committee is absolutely not correct. Over two weeks ago that company withdrew from the transport board their application for the United States route. Do not forget that. They withdrew that application over two weeks ago.

An hon. Member: Why?

Mr. Cruickshank: For the good and simple reason that they have on the record before the petroleum conservation board an application for an all-Canadian route, a route laid out by competent engineers. The most competent firm, it is thought, in that line in Canada, have gone over every foot of that route; and it has been gone over by a firm of the most eminent pipe line engineers in the United States. That route is recorded in the application at the present time, and that application was withdrawn two weeks ago; but apparently some of my junior friends from my own province have not awakened to that fact. It was withdrawn two weeks ago. That application is on record, with every mile of the route laid out, even to the number of feet that it may be necessary to tunnel in order to put this line through.

As far as I know, there is only one engineer in the house. There may be more. If so, I will stand corrected. But as far as I know, there is only one engineer in the house and last night I heard him say this. Incidentally, both he and I have been over every foot of the route; but he happens to have engineering ability that I do not possess. But he happens to have engineering ability and I have not. The most capable engineers that can be hired in the Dominion of Canada have approved the route and it is on record in the capital of Alberta. The most eminent firm of engineers in the United States in pipeline construction, which had more to do with the building of pipe lines in Louisiana and in other states than any other firm, have approved the route. That approval is on record in the capital of Alberta today. But I had to sit in the committee and hear two eminent engineers speak of it. One said that he had gone over the route by train and that he would go over it again by October.

I say to the sponsors of these bills that if they had happened to be where I was last Saturday they would have heard a lot. I do not know whether I have said this before or not, but I will repeat it. Last Saturday I went down to Montreal. I sat in a chair car and two of the prominent United States witnesses sat next to me. Naturally I knew who they were because I sat in on the committee, although some of my friends from British Columbia would not let me be a member of the committee. But I sat in there and listened to what was going on in the committee. I sat next to these United States witnesses on the train. I will give some advice to the sponsors of the bills. I advise them to tell their witnesses not to talk so loud and not to give away so many secrets. That is very good advice to the sponsors of the two bills. As I say, I sat in the committee and I recognized these two witnesses. I have supported Quebec long enough, and some hon. members from that province should try to get on the bandwagon for British Columbia.

Mr. Gauthier (Portneuf): Applesauce again.

Mr. Cruickshank: As I say, I sat next to these two gentlemen, and it was very interesting to hear their conversation.

It was said in the paper the other day—and I admit it—that I got up by mistake and voted for this motion. They said that the face of the member for Fraser Valley was red. I admit that; but, Mr. Chairman, if the sponsors of these two bills could have heard their witnesses talk in the chair car, their faces would have been a lot redder than mine. I do not want to take up any more of the time of the committee—

Some hon. Members: Go on.

Mr. Cruickshank: I heard one of my Quebec friends over there interrupt.

Mr. Gauthier (Portneuf): Now you are mistaken.

Mr. Cruickshank: I should like to know of any member who has been more loyal to, or supported the ambitions and often unfair desires of, Quebec than those from the province of British Columbia. I have had to listen to speech after speech of forty minutes of stupidity from that hon. member. He ought to listen to at least twenty minutes, if he calls it stupid, from me.

Mr. Gauthier (Portneuf): Who said "stupid"?

Mr. Cruickshank: If you want me to say so, I will say so.

The Deputy Chairman: Order.

Mr. Gauthier (Portneuf): Nobody said it.

Mr. Cruickshank: Mr. Chairman, I have already said one thing. The Westcoast Transmission Company have withdrawn their application before the board of transport commissioners for a United States route. I am authorized to say further, Mr. Chairman, and I particularly want a couple of my junior friends from the province of British Columbia to listen to this with interest—

Mr. Thatcher: Capilano.

Mr. Cruickshank: The Westcoast Transmission Company have a charter, and of course these charters are valuable, or why would they invest hundreds of millions of dollars, if they were not? I am authorized to say, Mr. Chairman, that the Westcoast Transmission Company have absolutely no objection to having it inserted that they will build an all-Canadian route if the other two companies have the same proviso inserted in their charter.

Mr. Campney: Mr. Chairman, I had not intended until last evening to participate in any of the debates with respect to the bill to incorporate the Alberta Natural Gas Company, for reasons which I will mention in a few minutes. I rise now to take exception to what I regard as entirely unwarranted and unjustified insinuations and innuendoes contained in the speech of the hon. member for Vancouver-Quadra. Referring to me in his remarks in the debate on this bill in the committee last night—

Mr. Hodgson: May I ask the hon. member a question? Are you still the lawyer representing this company?

Mr. Campney: I am representing myself and I will indicate that in a few minutes. Referring to me, the hon. member said that when the original petition for incorporation was presented at the final session of the last parliament I was one of the applicants for incorporation. That is correct. On this fact, and on the fact that I was present at times at the meetings of the standing committee on railways, canals and telegraph lines, as were many other hon. members of this house, and as was entirely my right as it was the right of every other hon. member of this house, he said that my position was open to question and implied that in some way or other I had not taken the proper attitude as a member of this house on the consideration of this question.

I resent very much the aspersions on my conduct in this house which the insinuations and innuendoes to which I have referred clearly allege, and I want to state briefly the facts with respect to my own position.

These are the facts. Almost three years ago the sponsors of this company came to me as a solicitor and asked me or my firm to secure for them a Canadian incorporation to build a pipe line. At that stage the incorporation was obtainable, as was any other incorporation, from the Department of the Secretary of State under letters patent. We proceeded with that incorporation; but before it was completed parliament had passed the Pipe Lines Act which made a statutory incorporation necessary before a company could engage in the construction or operation of a pipe line. We thereupon abandoned the proceedings to incorporate under the Companies Act and launched a petition to parliament, and on that petition my name appears as an applicant, in accordance with what I think is generally recognized as a common practice in solicitor firms. Purely as a matter of convenience, I was a formal petitioner for the purpose of incorporation.

That petition, for reasons which in themselves are very interesting but probably not relevant to this debate, failed. That was in April, 1949.

In June of that year I was elected to parliament. I may say that during that election the same sort of attack by radio, by press and on the platform, as we have witnessed in connection with this bill, was directed against me.

Mr. Green: Not by me.

Mr. Campney: I was the subject of vicious and unfair attack on the part of my opponents in that election simply because I had been the petitioner as a solicitor for this particular company, and had acted as a solicitor in the usual way. Well, I won that election, by almost 4,000 votes.

Some hon. Members: Hear, hear.

Mr. Campney: The Progressive Conservative candidate and the C.C.F. candidate, the then sitting member, very nearly lost their deposits in each case. Therefore this line from the hon. member from Vancouver-Quadra is not new.

Mr. Green: I did not attack you in the election.

Mr. Campney: It is old stuff, like so much, shall I say, of his contributions to *Hansard.*

Alberta Natural Gas Company

I should like to place before hon. members of the committee exactly what did happen following my election as a member of parliament. When the applicants for this charter came to me prior to last session and said that they intended to proceed with a petition to endeavour again to obtain incorporation I told them, definitely, in a general way, that I would not act in any way that was incompatible with my duties as a member of this House of Commons, and told them specifically a number of things.

This is what I told them: That neither I nor any partner of mine nor my firm would act for them in this or any other matter which would come before the parliament of Canada. I told them further that I would not be an applicant on the petition. I said further that neither I nor any member of my firm, nor my firm, would accept any fee or payment whatsoever payable to me or my firm or any member of it with respect to the petition to parliament to incorporate this company, so long as I was a member of parliament. I told them I would not sponsor their bill—

Mr. Smith (Calgary West): On a point of order. The hon. member is now speaking in complete breach of the chief rule of our profession, and that is that he is giving us information passing between him and a client.

Some hon. Members: Oh, oh.

Mr. Chevrier: Tell that to Sweeney; great stuff, that is!

Mr. Smith (Calgary West): Will you let me go on and finish my point of order? In spite of the raucous intervention, particularly by the Minister of Transport, that privilege is the privilege of the client, and not of the solicitor.

Mr. Abbott: It was not your client.

Mr. Smith (Calgary West): No, it was the client of the member who is now speaking, and who was busier than a one-armed paper hanger in the committee just a short time ago.

Mr. Campney: I said that I would not vote on the bill, and that I would be free to take any attitude I thought desirable in the interests of my own constituency, my own province and my country, a position which I have meticulously and continuously maintained to the present time. I believe that is a position which will commend itself to members of this house; and I would hope that it might even commend itself to the hon. member for Vancouver-Quadra (Mr. Green).

I am extremely desirous, as is every member from British Columbia and from Alberta, and particularly desirous as a member of the House of Commons from the constituency of Vancouver Centre, that natural gas be brought to Vancouver at the earliest possible date, in abundant quantity, by the most safe and secure route in the best interests of Canada and at the lowest possible cost.

I would prefer to rely upon the decision of the board of transport commissioners which has been charged with the jurisdiction and with the responsibility of dealing with all the matters attendant on that decision rather than upon the jurisdiction and responsibility of the hon. member for Vancouver-Quadra who, I do not think, has been blessed with either of those qualities.

Let me say in conclusion that from my observations during the short time I have been a member of this house nothing I have seen would lead me to have any desire whatever to base either my parliamentary ethics or my conduct in this house upon the example of the hon. member for Vancouver-Quadra.

Mr. Gibson: Mr. Chairman, on April 3 I spoke in this house during the debate on second reading of this bill to incorporate the Alberta Natural Gas Company. At that time I urged hon. members of the house to allow this bill to go to committee where we could ascertain further information, believing as I did that in committee evidence would be available from independent sources which would enable hon. members to make up their minds as to whether or not this all-Canadian route which was spoken of was both economically and physically possible.

I regret very much that my absence from the country made it impossible for me to attend the first meetings of the committee. But I have now received a belated edition of the evidence, and after a careful study of it I have come to the conclusion that the pipe line promoter was biased in the extreme, no doubt by his very evident desire to get his gas as quickly as possible out of Canada and into the United States, by the shortest fire escape, far from the searching eyes and voices of members of this House of Commons.

An hon. Member: Louder.

Mr. Gibson: By his own admission we now know that he never gave a passing thought to the welfare of the northern part of British Columbia, not having even tried to examine the possibility of using the Yellowhead pass route through Kamloops to Princeton and down through Hope to the Fraser valley. He had other fish to fry, evidently, with gas across the border to the south. The committee however was able to extract the monumental and exotic promise from him that he would

take another look at it, his previous look having been taken from the softly lighted interior of a C.N.R. drawingroom.

Mr. Chairman, is this the rugged type of pioneer we Canadians must import from across the line to develop our natural resources in Canada? I know that all hon. members here will wish to cast their votes in a way which they sincerely believe will accomplish the best results for Canada. While I am not an engineer, I have had considerable construction and engineering experience.

An hon. Member: Where?

Mr. Gibson: Despite the unbiased professional advice which the members of this committee did not receive, after the committee reported out the bills on Friday night I made it my business over the week end to obtain some factual engineering data on the Yellowhead pass route, and also on the proposed American route across Montana, the Stevens pass and the state of Washington.

This data was supplied me by Major "Jerry" Wood, a professional mining engineer, whose distinguished military career was referred to last evening by the hon. member for Coast-Capilano. May I add further that my personal knowledge of Major Wood extends over the last eighteen years, having been associated with him in a number of mining ventures, some of which were successful and some not. Anyone who is familiar with mining will know that that is the history of that industry.

I have complete confidence in his judgment and in his ability and integrity. This information is from his personal survey. All the information I have received was compiled by him from a careful personal study of the area involved. I know the house will be amazed and delighted to learn that the length of a pine line from Edmonton to Vancouver via the all-Canadian Yellowhead pass route will be within twenty miles of the same distance as a line laid from Pincher creek in Alberta, south through Montana and Washington to Vancouver.

Another fact which will astound and I am sure influence hon. members is the testimony given before the Alberta natural gas conservation board by the firm of Ford, Bacon and Davis, outstanding pipe line construction engineers of the United States, to the effect that there is eighty miles less of rock work on the Yellowhead pass route than on the American route across Montana and the state of Washington.

The same witness stated before the Alberta conservation board that he thought, from an engineering standpoint, that he would rather build the northern or the Yellowhead pass route than the one through the United States. Those statements would indicate to me that the Yellowhead route will deliver gas to consumers in Vancouver at least as cheaply as by any other alternative or American route.

This testimony by the outstanding pipe line construction company in the United States has convinced me that the all-Canadian route is both economically feasible and sound. I know all hon. members are interested in the development of British Columbia. I can even point out to maritime members that the obvious source of supply and fabrication for our steel used in construction of an all-Canadian gas pipe line would be the Dosco plant at Sydney, and that it would reach us from that plant by way of the Panama canal by cheap water transportation for delivery at Vancouver. We know of course that this will create a great amount of employment for Canadian workmen, and consequently both the east and west coasts of Canada will enjoy a tremendous increase in employment by the building of an all-Canadian route.

Mr. Thatcher: They did not do that with the one they are building now.

Mr. Gibson: My hon. friend knows that there is a great deal of difference when it comes to a pipe line being built on the Pacific coast. I am speaking of water transportation and he knows very well it is quite difficult to get into the Moose Jaw swamp with a large ship. Some fear has been expressed in this house that in refusing these charters we are creating a monopoly for one company, the Westcoast Transmission Company. Actually, nothing could be further from the truth.

The Alberta conservation board has said that they will welcome applications from any responsible company for a permit to export natural gas but so far the Alberta Natural Gas Company have not taken advantage of this opportunity. Such an application would involve the disclosure of what route was to be taken, a disclosure which every member of the committee realizes they are hesitant to make.

May I point out here that no company needs a federal charter until it has received the sanction of the Alberta conservation board since the board of transport commissioners in Ottawa have refused to listen to testimony until such permission is obtained. Why does not Alberta Natural Gas Company go ahead with its application and then come back to parliament next session? If they have received the approval for an all-Canadian route then I know every hon. member will be glad to grant them a charter.

Alberta Natural Gas Company

Last evening the hon. member for Kootenay East (Mr. Byrne) said that he was satisfied with the decision of the board of transport commissioners, that whatever decision they might make he was quite prepared to accept. May I remind him that parliament is the policy setting body. Parliament set the all-Canadian policy in the post-confederation years for the building of the Canadian Pacific railway. Parliament set the policy for Trans-Canada Air Lines, and only last session this parliament set the policy for the trans-Canada highway. Let the parliament set the policy in this instance and instruct the board of transport commissioners that gas from Alberta may go to the Pacific coast only over an all-Canadian route. I have ascertained, and the committee could have ascertained also by calling independent witnesses, that such a route is feasible.

May I pause here to remind hon. members that the Westcoast Transmission Company, which has been incorporated, have withdrawn their application for a route through Kingsgate to the United States, and as further evidence of their good faith have submitted expert testimony extending for almost a month to the Alberta conservation board in connection with their request for permission to build over the Yellowhead pass route.

I am opposing the passage of this bill to incorporate the Alberta Natural Gas Company because I feel that this company has not been entirely frank, either with the committee or with the Minister of Trade and Commerce (Mr. Howe). Does anyone in this house believe that the minister would have written to the city of Vancouver as he did unless he had been assured of an all-Canadian route? The minister used these words:

> My information is that the new company is proposing to build this line through all-Canadian territory and to serve all Vancouver points before taking the line into the United States.

I am quite sure the minister never would have written that letter unless he had been assured by Mr. Dixon or other principals of the Alberta Natural Gas Company that that was their intention. I certainly have no difficulty in making up my mind as to which of the gentlemen in question I believe. Probably hon. members would be interested in the views of the government of British Columbia in regard to this matter. With your permission I should like to quote from the testimony given by the attorney general of that province, the Hon. Gordon Wismer, before the Alberta conservation board on February 7 last. Mr. Wismer said:

> We are and have been, ever since the construction of gas pipe lines has been under consideration, strongly supporting the proposal that such a line should be built from northern Alberta into and through British Columbia and thence, if sufficient gas is available, to the Pacific northwest states of the United States of America.
>
> I took that position before the transport board. We are, of course, assuming that it will be shown before the proper tribunal that this route is feasible and practicable as we understand it to be.
>
> This route, if followed, will assure that the domestic and industrial requirements of the people of British Columbia will be a matter of first consideration, and it seems to us that this objective cannot be reached in any other way.

I would point out to hon. members that that is the considered view of the government of British Columbia. I continue to quote Mr. Wismer's remarks:

> That is as we are advised at the present time.
>
> More important than this consideration, however, is the fact that the northern route will undoubtedly afford the opportunity of great industrial development and expansion in both northern Alberta and through the considerable territory in British Columbia which lies in the path of the projected route.
>
> And of first importance, in our view and submission, and here we may be of some assistance in the disposal of the primary question at issue, is the following:
>
> The northeastern area of British Columbia lying to the east of the Rocky mountains in the Peace river block is part of the sedimentary basin which underlies the northwest portion of the province of Alberta. My information is that there are about 50 million acres in this area which may be considered to be potential oil and gas lands.

May I just interject to say that when I read that I called up the dominion geologist, Dr. Hume, whose name is familiar to most hon. members because his standing in the geological field in Canada is the highest. I asked Dr. Hume if the 50 million acres of potential oil and gas lands in British Columbia would be at all comparable with a similar acreage in Alberta, and he told me that those oil and gas lands in British Columbia unquestionably offered the same potential for the production of oil and gas as a similar 50 million acres in Alberta. I just pause there to point out how extremely important it is to the people of British Columbia and to the development of the northern portion of the province that this gas pipe line go through that area rather than the Crowsnest pass route or through the states of Washington and Montana.

We have been told that it is only feasible to construct the one pipe line from the natural gas resources of Alberta to the Pacific coast. If by any chance that pipe line should go by the southern route or through the United States these 50 million acres of potential oil and gas lands would remain undeveloped. If that should be the case the development of the hinterland of British Columbia would be retarded for generations. I quote further from the submission by Mr. Wismer:

> The government of British Columbia and others have carried out some exploration work in this

area, and I believe we are justified in saying that there are strong indications that there is a very considerable gas and oil potential in this district. The government is desirous that further exploration be undertaken, but it must be obvious that the greatest incentive for the undertaking of this work is that provision be made for market facilities if and when oil or gas or both are discovered in quantity.

The nearest market area for northwestern Alberta and northeastern British Columbia producing areas will be the Pacific coast points of British Columbia, and if the projected pipe line is built along the route suggested through the northern points, it will provide an available and accessible market for these products.

In considering the question of the route of the pipe line, it should be noted that the northern route would add to the gas potential of the province of Alberta that of the area described in British Columbia.

In conclusion may I say my government is most anxious that natural gas be made available to the people of British Columbia if and when the government of Alberta determines that in the interests of the people of Alberta a permit for exportation can properly be granted.

The government of British Columbia is prepared to take any reasonable steps within its power to facilitate the building of a pipe line system from Alberta to and through the province of British Columbia, and will be prepared to join with Alberta in supporting any applications that may be made to the federal authority in order to secure and make possible the building of the lines.

I would point out that the government of British Columbia has already advised the government of Canada of the resolution which they passed in regard to this matter. I continue:

We in British Columbia congratulate the people of Alberta on the successful oil exploration program being carried out in the province, and hope that the work now being carried on will continue to meet with success in greater measure year after year. One of the main factors which actuate our interest in the present project is that we wish to make it possible that British Columbia areas will be explored and will enjoy a like experience, and in the not too distant future oil and gas production in the province of British Columbia, particularly in the district which I have mentioned, will be able to share in the markets available, thus making a contribution to the general well-being and prosperity of Canada.

I think, Mr. Chairman, the house will agree that is a very worth-while submission by the attorney general of British Columbia. I ask hon. members to give the views expressed by that government their very earnest consideration before we allow the sanctioning of any other pipe line routes.

I was quite interested in some of what appeared to me to be the rather evasive statements made by the chief witness for the Alberta Natural Gas Company. At page 65 of the proceedings of the standing committee on railways, canals and telegraph lines there was a question asked by the hon. member for Edmonton West. He asked Mr. Dixon, the witness, what his opinion was with regard to the main supply of gas. Mr. Dixon replied:

. . . this is a matter of opinion—but to my mind the main supply of gas is in the southern part of Alberta.

Then the hon. member for Edmonton West asked:

Do you not think that situation is changing fast?

The witness replied:

No, sir, I think it is just the opposite.

In other words, the witness in this particular instance tried to prove what I am sure a man who is eminently well acquainted with the oil business must have known was not correct, and was an evasion. I cannot bring myself to believe that he could have been as stupid as that unless he was trying to be evasive. In order to check the matter again I referred it to the dominion geologist who informed me that as of the present date probably the largest gas reserves that have already been developed lie more in the south than in the north, but that anybody who has studied the geological structure and the recent developments in the province of Alberta must realize that the northern area is developing much more rapidly. He said that he would state without any hesitation that the greatest bulk of our natural gas resources will be found in northern Alberta. I said, "In that case you would say that Edmonton was much nearer to the centre of the gas resources of Alberta than Calgary". He said unquestionably that would be the case.

In conclusion may I reiterate that we are not delaying Alberta Natural Gas Company in getting on with their business by refusing them a charter to incorporate a dominion company at this time. All they have to do is to go to the Alberta natural gas conservation board which, as I have said before, has stated that they are willing to hear submissions from any responsible company. The Westcoast Transmission Company, which already has a charter, has stated that they would not raise any objection to the hearing of their submission. If the Alberta Natural Gas Company is acting in good faith and really desires to build an all-Canadian pipe line I can see no reason in the world why they should not make their submission to the Alberta conservation board as to what route they intend to follow. As I said before, I am sure I speak for every member of the house when I say that if they convince us that they really desire to build an all-Canadian route they will have no difficulty in getting their charter through the House of Commons.

Mr. Macdonnell (Greenwood): Mr. Chairman, I do not suppose it is very often that a man is believed when he says that he

really had no intention of speaking on a subject. At any rate, it is some evidence of the truth of what I say that I have waited a long time before venturing to take part in this discussion. Certainly during the early weeks of the debate I thought it was something that I could very well leave to other people. I thought it was a matter which primarily concerned the people of British Columbia and Alberta, and I acted on that belief for a considerable time. The principal reason, more than any other, why I am on my feet, is that as time has gone on I have come to have a very uncomfortable feeling that this bill was not exactly what it seemed, that it was not as private as it looked, and that whether or not it was a government bill one might at least describe it as a "Howe" bill.

It has been stated in effect without contradiction in this house that it was a government bill. That has not been denied. As I say, certainly it seemed to me to have lost many of the aspects of a private bill as time went on. That was the first feeling that made me uneasy and made me feel that the house was not being treated with perfect candour. Perhaps that is not an entirely unprecedented experience for us. Therefore I began to feel more interest in it, and finally I came to the conclusion that it was a matter which concerned all of us.

There are one or two other things I should like to say about it. First of all I must admit I was impressed with the argument that we should vote for second reading because it would go to a committee and then all would be well. Incidentally, when I read the evidence of the committee and see what happened there I have a feeling that I was what might be called a "sucker" in ever paying very much attention to that argument. I had never realized before that, whereas in this house many means have been worked out over the century to protect the rights of minorities, so far as I can discern in a committee there is no means of protecting those rights at all. The minority is entirely subject to the will of the majority, and in this case I think the will of the majority was exercised in a rather unfortunate manner.

Mr. Knowles: The railroad committee.

Mr. Macdonnell (Greenwood): Last night my colleague, the hon. member for Vancouver-Quadra, was taken up for suggesting that a certain gentleman who had to do with this committee had acted in a high-handed manner. Apparently that was regarded as a term which perhaps should not be used in the house. I am not offering any opinion whether it should or should not. I am only saying I think it was a gross understatement of what happened in that committee.

Of course we remember the beginning of this difficulty. It all goes back to the days almost exactly a year ago when the government was getting ready, in perhaps unseemly haste, for an election. I will not say an unseemly election because that might sound as if one were feeling a little personal about it. At any rate, they were getting ready in a hurry for an election. A lot of things were done in a great hurry, and as has been pointed out not quite as well done as they might have been. The leader of the opposition and the hon. member for Winnipeg North Centre have outlined that in detail clearly and cogently, and I have no intention of going over it again. I observe that it is almost nine o'clock, Mr. Chairman. I move the adjournment of the debate.

Section stands.

Progress reported.

PURCHASE BY C.P.R. OF SHAWINIGAN FALLS TERMINAL RAILWAY CAPITAL STOCK

The house resumed, from Monday, May 1, consideration in committee of Bill No. 88, respecting the purchase by Canadian Pacific Railway Company of shares of the capital stock of the Shawinigan Falls Terminal Railway Company—Mr. Pinard—Mr. Dion in the chair.

Bill reported, read the third time and passed.

SUPPLY

The house resumed consideration of the motion of Mr. Fournier (Hull) for committee of supply, and the amendment thereto of Mr. Drew.

COMMUNIST ACTIVITIES IN CANADA

Mr. E. G. Hansell (Macleod): Mr. Speaker, when the house rose at six o'clock, we were dealing with the amendment that had been proposed by the leader of the official opposition (Mr. Drew), to the effect that this house is of the opinion that appropriate legislation should be introduced so that communist and similar activities in Canada may be made an offence punishable under the Criminal Code. I listened with a good deal of interest to the leader of the opposition, to the reply by the Prime Minister (Mr. St. Laurent), and also to the speech by the member for Vancouver East (Mr. MacInnis). All three speakers put forth some remarkable thoughts, with some of which I agree and others with which I disagree.

It does seem to me that, in order to make a motion of this kind effective, it would be necessary for us to define our terms. In fact, I think we have come to a place in our

Canadian life and thinking when the terms "communism" and "democracy" have been bounced around so much that they mean all things to all men. I wonder if the Prime Minister, who, after all is the leader of this nation, has ever actually attempted to define communism. Putting the resolution in other words, we might just as well say that anyone proposing anything contrary to our way of life be regarded as coming under the Criminal Code. Now, that would also be subject to definition. I do not know if there is anyone in this house who would be capable of defining our way of life. When we deal with these things, we are dealing with life principles. I doubt very much whether one could successfully legislate in such a way as to be able to govern great life principles.

The leader of the opposition said some things with which I agree. I was quite pleased to hear him say that communism was in reality anti-Christ, that it was anti-Christ doctrine. I do not want to appear to be splitting hairs, but in considering a matter of this nature, in order to get the most accurate picture, one has to say some things that might be interpreted as splitting hairs. I do not know whether the leader of the opposition watched his words carefully, but I think *Hansard* will record that he did not say it was anti-Christian doctrine. There is all the difference in the world to my mind between that which is anti-Christ and that which is anti-Christian. Now, that may pose a question that will involve some thought. The member for Winnipeg North (Mr. Stewart) in debating this theme during the last session of parliament, made a remark which I do not think I shall forget for a long time. It was a remark that, on the face of it, might appear to be quite agreeable. He said that Christianity must deliver the goods. I have a high regard for the member for Winnipeg North. There are many people for whom, after you get to know them a little better, you gain a high regard, even though you do not agree with what they say.

I want to say this, Mr. Speaker, that when we get to the underlying root of communism, which is anti-Christ, we discover that it is not Christianity that is at stake at all. We use the term democracy, and the Prime Minister today said the best way to defeat communism is to make democracy effective. I remind you, Mr. Speaker, of something about which I reminded you last session, and that is that as you open these sittings each day you pray on behalf of this house, "Thy kingdom come." When that prayer is ultimately answered you will not have a democracy at all, but you will have what is known as a theocracy. It is for that reason that the issue is not Christianity versus anti-Christianity, because I fancy the world would not have any great difficulty in accepting Christianity. The issue is between Christ and anti-Christ. It is Christ the world at large is not ready to accept. I pose those thoughts which may be somewhat provoking to those with leisure to pursue them further.

When the Prime Minister replied to the leader of the opposition, I carefully noted some of the things he said. I am largely in agreement with him. I do want to say this, that I do not believe the leader of the opposition is any more concerned about this matter of communism in Canada than is the Prime Minister. I regard the Prime Minister as being a great Canadian who has the welfare of Canada at heart. I believe that he recognizes the danger of communism. But, as he said, and as the leader of the opposition would discover if he were sitting in the Prime Minister's place, it is a matter of how to deal with the situation that confronts us.

The Prime Minister referred to the labour unions, and said that they were able to take care of the situation themselves. I think he used the significant term that they had undergone an autonomous purgence. I want to make an observation on that. It is true that the great labour organizations in Canada were able to get rid of some of the troublemakers who were communists and powerful men in them. But I will make this observation. They were able to do so only because those who were not communists still were in the majority and still had the upper hand. Given time, the picture may have changed, as it has changed in some other countries that we know of. France is supposed to be a democracy, but it just so happens that communism in France, having regard to labour, has gained the upper hand as it has also in Italy and some other countries. Given time, the picture may have been changed in those two great labour unions in Canada. If the communists had gained the upper hand, then the picture would be different today. I fancy that one reason they did not gain the upper hand was that since the war communism has become slightly more unpopular than it was during the war days when Russia was considered to be one of our allies.

Furthermore, let me say this. We must not think that all labour unions therefore have been able to cope with this particular matter. That may be so in the larger unions but it is not always so in the local unions. If any of you live in constituencies in which there are strong local labour unions, especially in some industrial areas, you will find that the communists, having regard to some of these local unions, still hold the upper hand.

I do not think that anything the government did caused this autonomous purgence that has gone on in the labour unions. I think it was the natural course of events. Time happened to be on our side. Then the Prime Minister said that we are in a better position today with respect to communism than we were a few years ago. That may be a subject of argumentation. We may be. But if we are, once again I say it is not because the government has done anything in particular about it. It has simply been that public opinion has slightly changed with respect to communism by reason of the fact that Russia, since the war, has been acting rather badly in the United Nations; and this has had its reflection upon the people of Canada, of the United States and of some other countries. Time there again happened to be on our side.

Then the Prime Minister read part of a brief that had been presented to the Senate committee on human rights and fundamental freedoms. The Prime Minister read the names of those persons who were attached to the organization that presented that brief. Might I say that I personally believe that the reading of the names of prominent men does not strengthen the argument a great deal, for the reason that prominent men can sometimes be wrong. Anyway, let me go a step further. The Prime Minister read certain parts of that brief on the matter of human rights and fundamental freedoms. Might I point out to you, Mr. Speaker, that the parts he read from that brief, supported by those whom he named, could be accepted in every communist organization in this country. Each and every one of them would say "Amen" to that. Why? Because it would give them their freedom to pursue their work, and what they want is freedom enough to take away our democratic freedom.

I said, Mr. Speaker, that I did not believe that you could legislate with respect to great life principles. I happened to be on the committee of this house on human rights and fundamental freedoms when we were to recommend some stand that should be taken on this matter in the United Nations. I am reminded that it was a joint committee of the upper and lower houses. In debating that matter I posed the thought that I did not believe you could legislate on great human life principles. The then minister of justice, the Right Hon. J. L. Ilsley, when he spoke in the debate—and you will find it reported in *Hansard*—agreed with me on that matter.

As an illustration, a man is supposed to love his wife; but you cannot write a law that a man must love his wife. How could you? Oh, you could write the law, but that would not make him love her.

Mr. Knowles: You can make a law to keep him from loving another man's wife.

Mr. Hansell: No. My friend the hon. member for Winnipeg North Centre (Mr. Knowles) says you could make a law to keep him from loving another man's wife. Maybe he should have defined his terms. You cannot make that law at all, not to make it effective. You can make the law, and put it on the statute books; but there is a life principle you cannot legislate for, and that is all there is to it.

Mr. Knowles: That applies to anything.

Mr. Hansell: No, it does not apply to anything. It does not apply to stealing. You can legislate for stealing.

Mr. Knowles: But that does not stop it.

Mr. Hansell: Of course it does not stop it. But you can put a man in jail for stealing. There is something tangible there. That is not a life principle. He breaks a law. But when you are dealing with human relationships, you cannot legislate on great life principles.

I do not want to overemphasize this point at all, but we read a great deal about racial discrimination; and that is one of the parts of the brief that the Prime Minister read this afternoon. I greatly doubt whether you can legislate effectively on the matter of racial discrimination. Perhaps you can. But I believe there is a better way. I happen to live in a small community and I have a Chinese family as my neighbours. My children play with the Chinese children. They come into my house. We do not have any difficulties. He minds his own business; I mind mine. I go out in the morning and look over the fence. I say: "Good morning, Frank." He looks over the fence and says: "Good morning." He doesn't call me by my first name, but it does not make any difference; we are the greatest of neighbours. I have friends who are negroes. They happen to be studying to be missionaries. I do not have any difficulty with these people. Why is it? You do not have to enact any legislation. So long as they mind their own business and I mind mine we get along perfectly well. I have Jewish friends. I deal with one or two of them down here in Ottawa. I deal with them simply because in this particular instance at least they always give me a square deal. I know these are rather homely little illustrations. When I first came down to parliament fifteen years ago I used to wear a great big watch and chain. I said to myself: "It looks too much like a politician; I am going to get a wrist watch." I came down town, saw a little store and went in. The owner was a Jew who was trying to keep

in business. It was during the depression days and jewelry was not selling very well. I said: "I see you have some watches in the window." He said: "Yes, I have some." He said: "This is a very good watch; it is a $16 watch. I will give it to you for $8." I thought, well, I don't know—I bought the watch.

Mr. Fournier (Maisonneuve-Rosemont): For how much?

Mr. Hansell: For $8.

Mr. Knowles: Where did the money come from?

Mr. Hansell: Mr. Speaker, I say this is a very homely illustration. I went back to that man on a number of occasions and bought things from him. I talked with him as a friend talks with a friend. He and I never had any difficulty. Of course if my watch had gone on the blink about a week afterwards we might have, but he appeared to be honest. What I want to tell you, Mr. Speaker, is that I am wearing that watch here tonight; I have never had it in a repair shop and it does not lose a minute in a week. He and I did not have any difficulty. As a matter of fact a few years ago I came back and I said to myself: "You know, Hansell, I think you took advantage of that chap." I was going in there to tell him about the watch and pay him another $8 anyway.

Mr. Knight: Did you ever do it?

Mr. Hansell: Why bring that up?

Mr. Knowles: Send him a copy of *Hansard.*

Mr. Hansell: I was just about to do it, Mr. Speaker, when I walked by his place and found that he had sold out to another man. That saved the day.

If these various ethnic groups mind their own business they can get along with each other. I get along perfectly well with them all. Of course if they began to push me around it would be a different story; and I am quite satisfied that if I commenced pushing them around it might be a different story; but so long as we do not push one another around I do not know that we need any particularly stringent laws to try to force people to like one another. That is my view of these things.

I now come to something which I regard as more important than anything else. Suppose this legislation passes. Suppose the government should write into our Criminal Code something that would make the activities of communism, and, as it says here, similar activities, a criminal offence. How can we be sure even then that we are really getting the culprits? I may have some peculiar views on these matters. Tim Buck was mentioned this afternoon. I do not know whether Tim Buck is the most dangerous man.

Mr. Sinnott: Oh yes, he is.

Mr. Hansell: He is the head of the communist organization, but when you mention Tim Buck to a person he can label him right away. He says, "Oh, well, we know all about him." They have him categorized. They have him where they want him. They know what you are talking about. I am wondering whether it is the Tim Bucks that you really want to get after. Remember, Mr. Speaker, there is more than one way of selling out a country; there is more than one way of sabotaging a democracy.

I should like to pose this question to anyone who cares to answer it. How deep a hue must pink become before it becomes red?

Mr. Harkness: That is a dyer's question.

Mr. Hansell: I heard no answer. How deep a hue must pink become before it becomes a danger in Canada? Can we assume, Mr. Speaker, that it is criminal to gain power by a process of rape, while at the same time assume that it is within the law to gain the same end by a process of seduction? These are a few questions that we have reason to think about. The strange thing is that there has been a mentality built up in this country that will condition the people for the acceptance of a mild form of communism. I should like to ask this question to provoke some thought. Did this ever occur to us? How is it that some of those people in responsible positions, who perhaps fell into disrepute because their actions indicated a reddish hue, have resigned their posts only to find that they are welcomed into a wider and more influential field, sometimes going to some branches of the United Nations where criticism has no effect, and where we could not get our hands on them if we wanted to? That has happened over and over again.

The hon. member for Vancouver East gave a rather good speech. I agreed with a good deal of it, but sometimes he likes to tap me on the head, and I like to turn around and tap him. One thing he had to say—and I think it was quite reasonable—was that the best way to extend freedom is to extend it. You know, I cannot quite reconcile that with the fact that every time we want to loosen up controls and give more freedom, he wants to keep them on. It seems a strange sort of thing to me. What he should have said was that the best way to extend freedom is to institute control. I am just pitting what he said there against his philosophy.

Communist Activities in Canada

There was another matter mentioned by the Prime Minister which I think we have reason to think through. He said that the best way to combat communism is to make our democracy effective. That is a nice thing to say, and I am guilty of saying it myself. I am not afraid to say that sometimes I change my mind. When we talk of making democracy effective we usually think of making people economically secure, with the greatest amount of freedom.

Let me pose this question even to the Prime Minister: Some of the leading communists in the world are in one of the freest countries in the world, and have more money than they know what to do with. For instance, Hollywood is wracked from stem to gudgeon with communism; and yet nearly all of them have incomes in the millions.

Paul Robeson, that great artist and singer, was reared in the United States where he was free to pursue his talent and to become a great singer and a wealthy man. Democracy, so far as Paul Robeson is concerned, has been mighty good to him. But it does not stop him from being a communist. Furthermore let me say that those in our own country who were exposed during the recent spy trials were not those who were the rabble rousers. They were intellectuals, men of letters, men whose economic future was assured, and who reached that position very largely through the freedoms granted them by this country and others. Yet, as the leader of the opposition said, and to use his term, they are the ones who had accepted communism as a doctrine. Communism had become a conviction of their lives, and all the legislation in the world would not take that conviction away from them.

So I doubt very much whether an effective democracy will do away with any fifth column in this country. Supposing we come to the place where we have an effective democracy, supposing we come to the place where taxation is reduced, where social security is the highest in the world and is guaranteed—in other words, supposing we have a Social Credit government: granting all that, does anyone suppose that the fifth columnists would say, "Well boys, it is all up now; let us pack our grips and go back home"? No, sir, not on your life; because communism, being what it is—anti-Christ—is out to win the world, to sabotage mankind, to frustrate any divine program for man's redemption and to make your prayer, Mr. Speaker,—"Thy kingdom come"—amount to nothing but empty words. That is the issue today.

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, may I begin by endeavouring to clarify some aspects of the present debate and the amendment which, it seems to me, have become somewhat blurred in the course of the discussion since my leader made his speech.

I would first of all draw attention to the language of the amendment. This is an amendment to the motion that the house resolve itself into committee of supply, and it is in these words:

> This house is of the opinion that appropriate legislation should be introduced so that communist and similar activities in Canada may be made an offence punishable under the Criminal Code.

Sir, the key words to the amendment are "legislation" and "activities". If I may say so, with respect, the full import of those words has been lost on some who have taken part in the debate today. What this amendment proposes to illegalize is overt acts. It is activities necessarily involving overt acts that are to be the object of the legislation proposed in the amendment.

There is no suggestion in the amendment of penalizing people for their mere thoughts. There is no suggestion here of the suppression of unpopular ideas, if they remain nothing more than ideas, and do not result in overt acts which, in effect, strike at the security of the state or strike at human freedom.

It is of the essence of freedom and our conception of it that no man should be subject to punishment for what he thinks, provided his thoughts do not issue in acts of the kind I have described. The acts at which this amendment is directed are acts which, as I have said, strike at the security of the state, and those which strike at the roots of our freedom.

It is inherent in the communist creed that religion is the opiate of the people. That was the language of the communist manifesto nearly a hundred years ago. Sir, if anyone wishes to confine himself to thinking atheistic thoughts he is not committing an offence against the law of the land. But if he advocates a system involving the overthrow of constituted government by force, the suppression of the right of any man to worship according to the dictates of his conscience in the church or the religious organization of his choice, then that overt act is something which challenges both the security of the state and the freedom of the individual; and of acts of that kind this parliament must take due notice.

There is no suggestion here of those purges of libraries which have occurred in some places in the world. There is no suggestion here of destroying those books which record

the essentials of the evil doctrine of communism. The people will want to know what are the essentials of that foul doctrine of communism. I am the possessor of a copy of Marx's "Das Kapital". I am the possessor of a copy of the communist manifesto. I possess a copy of the statutes of the third communist international. There is nothing in this amendment that proposes to take away from me or anyone else the right to possess documents of that kind. But it does propose that where people are animated by those ideas, where people put into action the doctrines contained in those works and in that way attack our system of government, not in a democratic way but by force seek to destroy freedom by that abuse of freedom, this parliament shall meet that danger by the democratic method of legislation passed in this parliament.

This afternoon the Prime Minister referred to this as a question of what is the best way of dealing with this obnoxious force in our midst. He said that was not a partisan question. But there are differences of view demonstrated in this debate as to our ideas of the best way to meet this challenge. The Prime Minister said this afternoon that we have sufficient legislation on the statute books to deal with all overt acts against the state. It is with that statement that this amendment takes issue. We say that there is not on the statute books of this country today sufficient legislation to deal with overt acts against the state of the kind which communism preaches, which communism indoctrinates into its followers and which communism advocates.

The Prime Minister introduced some other matters which I think were not germane to the amendment or within the proper scope of the debate before the house today.

The Prime Minister talked as though the amendment was directed toward making communism an offence under the Criminal Code. That is not what is proposed in the amendment moved by my leader. The amendment simply proposes that these activities, these overt acts—not communism as an abstract doctrine—should be made an offence under the Criminal Code. Again I say it is the results of that doctrine, it is the acts in which that doctrine seeks to issue, that are referred to.

The Prime Minister referred to the padlock law. There is nothing here that calls for a discussion of the padlock law. We are dealing here with a proposal that the Criminal Code shall be amended by democratic process in what we contend to be a necessary particular.

Then on the issue of civil liberties and the question of a bill of rights I submit that there is nothing in the amendment proposed that runs counter to or does the slightest violence to any of our conceptions of freedom or those rights of the people of this country that it is proposed should be guaranteed within the framework of our constitution by a bill of rights.

I said there was one other key word in this amendment. It is the word "legislation". If I may say so, the hon. member for Vancouver East (Mr. MacInnis) dealt with this amendment this afternoon as though it embodied the terms of the proposed legislation. Of course that is a highly unfair, yes, an absurd approach. What we are dealing with here is a general statement in an amendment as to the tenor and object of legislation which we submit should be enacted by way of an amendment to the code. The amendment does not purport to set out in detail the terms of the legislation, and never was brought forward by my leader in that light.

A word about dealing with particular or political organizations. I for one am convinced that communism is a challenge to the fundamentals of our Christian civilization, our free way of life, more direct, more immediate, more forcible than at any time in the history of the world. It is true that there has been some recent stabilization of the political situation in Europe, and we are very thankful for that. We are thankful that the nations of western Europe along with the nations on this continent have been able to see clearly the challenge with which they are confronted and are prepared to concert measures together against a common foe in the interests of a common defence of their free way of life.

Elsewhere in the world the picture is not nearly as bright. In what has happened in Asia we have seen the numbers of those brought behind the iron curtain to live under the darkness of communist rule doubled in the past ten or twelve months. Think of it, the number of those living under communist rule in the world has been doubled in the last year. That was not by a free political decision, not as a result of the expression of any free choice on their part, but as a result of military action and massive communist propaganda working to sabotage the functioning of other systems of government and to break down, break down, break down those forces of resistance which are trying to hold their ground against the pressure of the communist menace. In the face of the challenge which has been hurled at the very ramparts of democracy we need to be utterly realistic.

I want to see our Canadian parliament proceed by purely democratic methods. I do not want to see our parliament meet this totalitarian menace by the adoption of totalitarian methods. The method which my leader has put forward today is a purely democratic method of the enactment of law binding upon all and known to all who will be affected by it. The method proposed is not to pick out a particular political organization that we know to be communist, namely, the Labour-Progressive party, and to say that that shall be deemed to be illegal—not that the Labour-Progressive party is entitled to any particular sympathy, because they are thoroughly communistic. They preach the communist doctrine and they preach communist methods.

An hon. Member: They admit it.

Mr. Fleming: If you simply passed legislation to declare the Labour-Progressive party to be an illegal organization, that would not get at the root of the problem. The root of the problem is, and must always be, those acts in which that doctrine or the preaching of that doctrine issues. You could abolish the Labour-Progressive party or declare it to be illegal and it would simply turn up tomorrow under another name. That is what happened during the war years when the old communist party of Canada was declared an illegal organization, and the Labour-Progressive party appeared the next day and blossomed forth as a reproduction of the old communist party. As I have said, that would not be an effective way of grappling with this problem. The effective way is to legislate in such a way as to make an offence of those overt acts which strike at the roots of our system of government and our conception of individual freedom.

It is worth remembering that in the past communists in this country have been placed upon trial for offences of the kind I have been describing here tonight. It was not when the law was in its present form. It was at an earlier period when there were some teeth in the law. At the moment I am not advocating any particular and detailed form of legislation. I do not know that in a debate of this kind it would be proper to do more than to indicate the intent, purpose and scope of the proposed legislation. As I have said before, it is a mistake to approach an amendment of this kind and criticize it because it does not contain all the words that would necessarily be written into the Criminal Code if the intent of the amendment appealed to the house.

When the law had teeth in it communists were placed upon trial and communists were convicted. Was it because of the existence of some abstract theory? No. Was it because communism as such was declared to be an illegal doctrine? No, it was not just that. Communists were placed on trial and communists were convicted because the doctrines they were propagating were doctrines that proposed the overthrow of government in this and other countries by force. Some of the facts of this situation have been forgotten throughout the country, and if I may say so they have been forgotten by many hon. members of the house. They have forgotten just what it was that was the basis of the conviction of Tim Buck and others of his ilk in 1931.

In the courts of Ontario nine communists were placed upon trial in the year 1931 for certain offences. At the hearing the charges against one man were dropped. The remaining eight were tried and found guilty upon three counts. One of those convicted was sentenced to two years' imprisonment on the first two counts and one year on the third count. The other seven were sentenced to five years' imprisonment on the first two counts and two years on the third count, the sentences to run concurrently.

Mr. Diefenbaker: What were the charges?

Mr. Garson: I wonder if my hon. friend would permit a question. What were the counts? What were the charges?

Mr. Fleming: I am dealing with the case that is reported under the title of Rex *v.* Buck. The excerpts that I shall be reading are excerpts from the judgment of the Ontario court of appeal in 1932 delivered by Sir William Mulock. The case is reported in several series of reports. The one I have before me is 57 Canadian Criminal Cases. The report begins at page 290. I do not wish to spend too much time on the subject of the nature of the indictment. It involved various offences under the old section 98 of the code. As I have indicated, there were three counts in respect of these various individuals. What I am discussing is the essence of the offence at which the law was striking, the essence of the offence of which these particular individuals were found guilty. I begin by reading an excerpt to be found at page 295 of the report, being the judgment of the court of appeal delivered by Sir William Mulock:

> Buck testified that the communist party of Canada was a section of the communist international, and that from the year 1924 onward the above-named theses and statutes became binding upon the communist party of Canada. The communist international at the meeting of its second world congress . . . held in Moscow in July, 1920, passed certain theses and statutes.

These theses and statutes were put in at the trial as an exhibit. These are some of the

extracts from the theses and statutes of the communist international as quoted in the judgment:

The communist international makes its aims to put up an armed struggle for the overthrow of the international bourgeoisie and to create an international Soviet republic as a transition stage to the complete abolition of the state. The communist international considers the dictatorship of the proletariat as the only means for the liberation of humanity from the horrors of capitalism . . .

Further:

The communist international fully and unreservedly upholds the gains of the great proletarian revolution in Russia, the first victorious socialist revolution in the world's history, and calls upon all workers to follow the same road . . .

Further:

Only a violent defeat of the bourgeoisie, the confiscation of its property, the annihilation of the entire bourgeois governmental apparatus, parliamentary, judicial, military, bureaucratic, administrative, municipal, etc., even the individual exile or internment of the most stubborn, and dangerous exploiters, the establishment of a strict control over them for the repression of all inevitable attempts at resistance and restoration of capitalist slavery, only such measures will be able to guarantee the complete submission of the whole class of exploiters...

For all countries, even for most free, "legal" and "peaceful" ones, in the sense of a lesser acuteness in the class struggle, the period has arrived when it has become absolutely necessary for every communist party to join systematically, lawful and unlawful work, lawful and unlawful organizations . . . It is especially necessary to carry on unlawful work in the army and navy, police . . . and persistent and systematic propaganda and agitation is necessary in the army where communist groups should be formed in every military organization...

Again:

The proletariat must resort to an armed uprising...

Again:

Parliamentarism cannot be a form of proletarian government during the transition period between the dictatorship of the bourgeoisie and that of the proletariat. At the moment when the accentuated class struggle turns into civil war the proletariat must inevitably form its state organization as a fighting organization . . . The bourgeois parliament, which constitutes one of the most important instruments of the state machinery of the bourgeois, cannot be won over by the proletariat any more than can the bourgeois order in general. The task of the proletariat consists in blowing up the whole machinery of the bourgeoisie, in destroying it and all the parliamentary institutions with it whether they be republican, or constitutional monarchical . . . .

The elementary means of the struggle of the proletariat against the rule of the bourgeoisie is first of all the method of mass demonstrations. Such mass demonstrations are prepared and carried out by the organized masses of the proletariat under the direction of the united, disciplined, centralized communist party. Civil war is war. In this war the proletariat must have its efficient political officers, its good political general staff to conduct operations during all the stages of that fight. Mass struggle means a whole system of developing demonstrations growing ever more acute in form and logically leading to an uprising against the capitalistic order of government. In this warfare of the masses, developing into civil war, the guiding party of the proletariat must as a general rule secure every and all lawful positions, making them its auxiliaries in the revolutionary work, and subordinating such positions to the plans of the general campaign, that of the mass struggle . . .

If the communists have a majority in the local government institutions, they must carry on a wholesale opposition against the bourgeois central authority . . . Attempt to establish an armed working militia. . . Boycotting the elections or the parliament, or leaving the parliament is permissible chiefly when there is a possibility of an immediate transition to an armed fight for power . . . The communist members shall make all their parliamentary work dependent on the work of the party outside of parliaments . . . The communist member is answerable, not to the wide mass of his constituents but to his own communist party, whether lawful or unlawful . . .

I interject there that this Canadian parliament had reason not very long ago to see how thoroughly that command of the theses and statutes of the communist international was carried out under this roof. Sir William Mulock proceeds with another quotation from the theses and statutes reading as follows:

In order to overthrow the international bourgeoisie and to create an international Soviet republic as a transition stage to the complete abolition of the state, the communist international will use all means at its disposal including force of arms.

Again:

The class struggle in almost every country of Europe and America is entering the phase of civil war. Under such conditions the communists can have no confidence in bourgeois laws. They should create everywhere a parallel illegal apparatus which at the decisive moment should be of assistance to the party to do its duty toward the revolution. In every country where, in consequence of martial law or of other exceptional laws, the communists are unable to carry on their work legally, a combination of legal and illegal work is absolutely necessary.

Is there a single member in this house who today doubts that the communist forces in Canada are proceeding entirely in accordance with the spirit and the letter of this thesis and statute of thirty years ago? In concluding his judgment, Sir William Mulock said this:

The foregoing extracts from the theses and also the *Worker* are bristling with incitements to bring about a change in the governmental and industrial life of Canada by violence.

That, sir, is the offence of which the communists were convicted, and on which they were sentenced to a term in Kingston penitentiary. I have read these extracts at some length to emphasize and to illustrate the very point and nub of the amendment introduced by my leader today. On looking at the present state of the law, I remind hon. members that the state of the law in Canada today is not as it was when those communists were convicted of the offence of inciting the use of force to overthrow the governmental structure of this country. I ask, is the law

today satisfactory? In the year 1936 when parliament amended the Criminal Code it eliminated the offences of which the communists, in the trial to which I have referred, were convicted. It substituted an amendment to the sedition section of the Criminal Code. By chapter 29, section 4, of the statutes of 1936, parliament simply substituted a further definition of the expression "seditious intention", and that is where the matter has stood since. It is for that reason we have not had prosecutions and convictions of communists since that time for advocating precisely what Tim Buck and his associates advocated, in respect of which they were convicted and sentenced in 1931.

During this session I put some questions on the order paper because I was anxious to get at this question of the efficacy of section 133, the section in relation to sedition in the Criminal Code, in the light of the position in which the legislation of 1936 left the law. These are my questions, and I read the answers immediately following the question instead of separating them:

1. How many prosecutions have been instituted for seditious offences since the 1936 amendment of section 133 of the Criminal Code?

Two on behalf of the government of Canada. There may be other prosecutions instituted by the attorneys general of the provinces of Canada of which the federal government has no record.

2. What was the nature of the offence charged in each case?

In one case the charge was speaking seditious words against His Majesty the King. The other case was one in which the accused was charged with being a party to a seditious conspiracy.

3. What was the outcome of the prosecution in each case?

The outcome in the first case was "charge dismissed." In the second, the accused was convicted but the conviction was later quashed on appeal.

It is quite apparent either that the present law is not being put to work, or that it has not adequate teeth in it, to strike at what we contend ought to be an offence, namely, the advocacy of the overthrow of the governmental institutions of the country by force.

The Prime Minister (Mr. St. Laurent) was at pains today to try to put the burden upon the attorneys general of the provinces. I want to say a word about that, sir, because it is a fact that most of the counter-espionage work in this country, as is well known, is carried on through the Royal Canadian Mounted Police. The provinces have not attempted to duplicate the existing machinery for counter-espionage work in Canada. Then, sir, we always come back to this: that the attorneys general of the provinces, in carrying out their duty in regard to prosecutions, are only able to work upon the substantive law created by this parliament for the purpose. It is only an offence created under the legislation that parliament itself passed which will warrant the attorneys general of the provinces setting in motion the procedure designed to prosecute persons who are guilty of offences. The fact of the matter is, sir—we ought to be fair about it, because the return submitted by the Minister of Justice (Mr. Garson) to which I have just adverted makes it abundantly clear—the Criminal Code in Canada at present is not strong enough to warrant the attorneys general of the provinces launching prosecutions designed to obtain convictions in cases where people in this country are preaching the doctrine of overthrowing the government by violence.

Is there any hon. member in this house who doubts for one moment that the communists today are preaching the same doctrines as those which were the essence of the theses and statutes that were made exhibits, and upon the basis of which a conviction was obtained in the Tim Buck case in 1931? Today direction from Moscow is much clearer than it was nineteen years ago when Tim Buck was convicted. That fact has been exposed in the quarrel between Tito and the Kremlin. Tito is a communist, and he has set up a communist government in Yugoslavia, but the basis of the quarrel between him and the Kremlin is that Tito is not prepared to take orders from the centre of communist world authority, namely, the Kremlin.

It is quite clear that it is no part of the communist plan to wait until they have massed the support of the majority of the people in a country. They have never waited for that in any country in which they struck. What they have sought to bring about was a well-organized, well-trained, and well-disciplined minority, who knew their job and were ready to strike when the order was given. The communists have gone into a country under one guise or another to get control of the key posts in the government until the time was right. In Greece they nearly succeeded in establishing a communist regime in the beginning of 1945. They would have succeeded in doing so had it not been for the presence of British troops under General Scobie. In late 1944 and 1945, the test of the communist strength in that country was the free elections that were held. The communist elements knew they could not make any kind of a showing at that election, so they decided they would boycott the election. They asked everybody to boycott it. The election thereby became a test of communist strength, but over ninety per cent of the electors turned out at the polls.

When some of us were in Greece a year and a half ago, the Prime Minister told us

that the communists were so organized that they could have established a communist regime in that country at that time, had it not been for the presence of the British army ensuring that a free vote would be held. In the name of freedom, the communists suppress freedom; in the name of truth, they preach lies and propaganda. Falsehood is one of the tools of communism in Canada as well as elsewhere, and the subjugation of our institutions is the declared purpose of the communists in our midst.

The world is in a disturbed condition, sir, and we are not, I am sure, likely to lose sight of the dangers offered by a fifth column in Canada, or in the other free nations who are parties to the North Atlantic pact.

It is high time that parliament gave serious consideration, and got some leadership from the government, in the implementation of some of those recommendations which came from the royal commission on espionage four years ago, and which have not been implemented by the government. Sir, let us not think for one minute that the determination to support Russia in the event of war is confined to the communists of European countries. Hon. members will recall the statement made in February, 1949, by Maurice Thorez, the leader of the communists in France, to the effect that in the event of war his communists would back Russia; or the similar statement made in March, 1949, by the red leaders in Australia and in Italy. But it is not confined to these countries because here is what Tim Buck said himself in November, 1946, at a meeting in Vancouver. I am quoting from a dispatch in the *Evening Telegram* of November 13, 1946, in which this appears:

> Tim Buck, leader of the Labor-Progressive party, made it plain that if Canada should be drawn into a war with Russia, he would not defend this country but "would go into hiding the same as I did at the start of the last war."

Then further on:

> Buck said if war were declared on Russia "under the same conditions as in 1939, I would fight against it—and I would go into hiding the same as I did at the start of the last war."

I was a member of the Toronto city council when war broke out. In those days we had communists in that council; and I shall never forget that in those anxious days, when the safety of our way of life was literally trembling in the balance, we had to sit and listen to communists in that council get up and denounce the war as an imperialistic war.

Mr. Croll: What did you do about it?

Mr. Fleming: What did we do about it?

Mr. Croll: That is what I asked.

Mr. Fleming: We answered them, and I think we answered them effectively. Then in due course these people who were traitors to the country went into hiding so that they might carry on their nefarious work under cover.

The question comes down to this, Mr. Speaker. I see that I have but five minutes left, and I shall be brief. What is called for in the way of attacking the problem? We ask the government to give some leadership in grappling with this problem. Some teeth must be put into the Criminal Code if we are going to grapple effectively with this problem. It seems to me that the Secretary of State for External Affairs (Mr. Pearson) clearly recognized the necessity for strengthening the code in what he said to the Rotary Club in Montreal, in a speech on July 19, 1949; and I am reading from a Canadian Press dispatch.

> He told the Montreal Rotary Club the domestic threat of communism must be met "by strengthening, if necessary, our Criminal Code against actions which threaten the security of the state."

That is the kind of legislation that this amendment asks, the strengthening of the code. That is precisely what we are asking. I trust that this statement by the Secretary of State for External Affairs means something more than "strengthening, if necessary, but not necessarily strengthening" the Criminal Code.

I took note of the statement made in my own riding during the election campaign last June by the then secretary of state, the Hon. Colin Gibson; and I put this before hon. members and ask them if this reflects on the part of members of the Canadian government and members of this Canadian parliament that vigilance that ought to characterize those who live in the kind of world we find ourselves in now, when communism is pounding on the doors of democracy. He said:

> If enough Canadians want a communist government, that is the kind of government we should have.

That is the statement of the then secretary of state, as quoted in the *Globe and Mail* of June 10, 1949, and in other papers. We want something more than a passive folding of the hands on the part of this government while these communists carry on their nefarious work right in the midst of our people today.

The situation becomes infinitely more critical, sir, when you realize what a dead set these communists are making today on these newcomers who are coming to this land to make this country their home, whom we are welcoming here but who as yet have not come to know our system of government

and who as yet do not know the two languages that are spoken in this country. It seems to me that in the light of the fact that communist sources are simply spewing forth this propaganda today, seeking to poison the minds of these people—before they ever come to know this country or to know its institutions—against the institutions of this country and against our freedoms, it emphasizes more than at any time in our previous history the necessity for putting teeth in the law and putting every obstacle we can, by democratic methods, in the way of those who would undermine our system by that method.

Then, sir, let me say this in conclusion. Vitally important as is the strengthening of the Criminal Code, I do not suggest for one minute that if we get that strengthening of the code we can simply sit down and think that the problem of communism is licked. I do not suggest that at all and my leader did not suggest it today. What we recommend to this house is that this method of strengthening the code—the democratic method, so that all may know the law, that the law may be respected, and that the law shall have teeth in it—is the first and obvious step that ought to be taken. We do not propose to stop there. We must continue. Everyone has a duty in this regard in our search for justice and for freedom. This kind of legislation that we propose is designed to strengthen our freedoms in this country. In the face of communist threats against us from abroad and communist threats against us at home, we must be strong. The communists respect force. The people in the Kremlin respect strength, and we must keep strong.

It is in no maudlin sense that I say, as my concluding words, that in the last analysis in this cold war, this ideological war, this war that is a shooting war in many parts of the globe today, this war in which the lines are clearly drawn between the forces of freedom and of Christian civilization on the one hand and the forces of totalitarianism and the enslavement of men's minds and bodies on the other, there is presented an issue in which we shall need all these resources if we are yet to win.

There is one further resource that we have which the communists have not, and which in my humble opinion will yet prove to be the deciding factor in the outcome of this struggle. It is the fact that we are spiritual creatures. We believe that the issues in life are not to be determined by materialistic forces. We believe that the supreme forces in life are not the forces of materialism. It is my humble expression of opinion that that supreme resource, if we will but practise it and use it, will yet prove to be the deciding factor in this war of ideas.

[Mr. Fleming.]

Hon. L. B. Pearson (Secretary of State for External Affairs): This afternoon and this evening, Mr. Speaker, the house has been discussing an important question, namely, what we in our country should do to combat the menace of communism. If I may say so, the discussion of that subject has been carried on in a way which reflects its importance. In the course of this discussion we have touched on an even more difficult problem, how to reconcile, in our complicated and modern state system, the security of the state with the freedom of the individual. I hope that those of us who feel that this amendment before us is not the solution to that problem will not be accused of favouring any policy or practice of appeasement in our attitude towards communism; that we shall not be accused of being supine in our opposition to what we all recognize to be one of the greatest menaces to our domestic and international security at the present time. There is, Mr. Speaker, a very real risk of that kind of accusation being levelled at people today who sometimes do not feel it desirable or necessary to take extreme action in the circumstances in which we find ourselves. There is a risk of this happening when we try to keep our heads and refuse to yield to prejudice and popular clamour. The fact that that can happen is shown, if I may say so, in developments in certain phases of the public life of our great friend and neighbour, the United States of America, where we have recently witnessed the spectacle of innocent and respected people being persecuted and almost destroyed by innuendo and unjustified suspicion.

In certain parts of the democratic world now it is impossible to reply effectively to the charge, "he is a communist", because any evidence that can be adduced by the intended victim to overthrow that charge can of course be attacked by those who make it with the suggestion that naturally if he were a communist he would be allowed by his superiors to act in such a way as to refute that evidence. This tactic, of course, creates in the body politic disunity, division, fear and at times and in some quarters something almost approaching panic. That of course, Mr. Speaker, is exactly what the communists wish to see created in our democratic system. I hope, and I know, that in our country we shall not find it necessary to copy methods of that kind.

The first objective of the communist party in any country is to weaken and eventually

to destroy the mechanism of the state machine. That was made very clear, Mr. Speaker, in the long and I think significant debate we had at the United Nations assembly last November and December, on the essentials of peace. Today of course it is the policy of the communists to create within the borders of countries a feeling of insecurity, a feeling of fear, a feeling of suspicion that public officials and others in prominent positions may be disloyal. That feeling—and it is an asset to the communist cause, I suggest—has expressed itself in our neighbour to the south, in statements that the State Department of its government is riddled with communists, and indeed that the Secretary of State himself—who is one of the great leaders in the struggle today against communism, and is doing such a magnificent job of leadership in that field—may be a bad security risk. Thank goodness, we have nothing like that in Canada; and I hope that it will not be suggested in discussion in this country, in the press, on the air or in any other place, that there are communists holding high official positions in this government.

The detestation of communism and all that it stands for, which has been so eloquently expressed this afternoon and this evening, is shared by all of us in this house. The principles which were enunciated this afternoon in the discussion of this subject by the leader of the official opposition (Mr. Drew) will I think receive a very general agreement. I do not think that general agreement will extend to some of the evidence which he adduced to support his argument and to show that, in his view, the government was too complacent and not doing enough to meet this menace. And I do not think that all of us will be able to support the solution which he has advanced in this amendment to meet this problem.

This afternoon the leader of the opposition brought forth one or two facts in his very interesting statement with which I should like to deal very briefly because I think they misrepresent the position. He referred—and other speakers have referred—to Tim Buck. This afternoon the leader of the opposition said, and I think I am quoting him correctly: "We all know that he recently obtained a passport to go to a meeting of the cominform in Hungary." He said the same thing the other night at a meeting in Ottawa, but he went a little further at that meeting, unless the report of it was inaccurate. He said that the government gave Tim Buck an exit visa to proceed to this cominform meeting in Hungary. What is the suggestion behind that statement? It is that somehow or other this government has tried to facilitate the work of Tim Buck at communist meetings in Europe.

Mr. Drew: Mr. Speaker, on a point of privilege, I would point out in the first place that at no time did I say that the government had given an exit visa, because I know perfectly well that such a procedure is not in the hands of the government. I did say that Tim Buck had a passport, and I do not believe that that is open to question; and I did point out that the recommendations of the royal commission, which were under discussion, suggested a tightening of passport provisions, and it was in relation to that recommendation that I had made the statement that Tim Buck had proceeded behind the iron curtain with a passport from Canada.

Mr. Pearson: I am very sorry if the report in the press of the hon. gentleman's statement was inaccurate, because I quoted the report which I read in the press, which was the only one that I was able to secure. But what the hon. gentleman did say this afternoon was that Tim Buck had recently obtained a passport to go to a meeting of the cominform in Hungary.

The facts of the matter are quite simple. Tim Buck did not obtain a passport from the government recently to go to that meeting. The information in my possession—and I think it is accurate—is that Mr. Tim Buck has had a passport since 1947, and his present passport is a renewal of one which he had received many years before that time.

Also this afternoon the leader of the opposition made a reference to a very important matter, one which has been disturbing not merely to this government but to all free governments, when he alluded to the scientist recently convicted in London, Dr. Klaus Fuchs. In his statement this afternoon he gave me the impression that somehow this government had been at fault in dealing with this man; and that as a consequence of negligence on the part of this government—and it certainly would be an important dereliction of duty if it were true—very important, vitally important, atomic secrets had reached the U.S.S.R. The leader of the opposition said that a complete evaluation of information, or the significance of the name of Fuchs in the light of the special knowledge obtained by the royal commission, had not been made. Now, Mr. Speaker, I think this matter should be cleared up in so far as I am able to clear it up from the facts which are available. And I should like to put on the record what the facts are in connection with this particular man.

This man Klaus Fuchs was sent to Canada in May or June of 1940 as an internee picked up in the United Kingdom during that period of fear and panic when all German suspects or people who might even be suspected later were collected, put in internment camps, and later sent by the United Kingdom authorities, with the consent of the Canadian government, to this country for safekeeping. This particular internee remained in Canada for six months during 1940. He was returned by Canada to the United Kingdom at the request of the government of that country, and has not been in Canada since.

During the hearings of the royal commission on espionage, which has been referred to so often in this debate, some evidence came to light, from a notebook of one of those suspected of spying, a suspect who was later accused and acquitted. This particular notebook had some 600 items in it. Four hundred, I think, were names or addresses. Of those there were 150 names of persons resident in Canada, 163 of persons resident in the United States and five of persons resident in the United Kingdom. The names of those resident in the United Kingdom were turned over to United Kingdom authorities with all the evidence available in connection with this matter, including all the evidence we had at our command about the person who owned the notebook in which his name appeared.

The names of United States residents were similarly turned over to United States security authorities. The Canadian authorities naturally looked after and took the necessary steps to investigate the Canadian names in that notebook. I suggest that the responsibility of the Canadian government was discharged, and very effectively discharged, in sending those United Kingdom names to the United Kingdom government. And I hope that with these facts in the possession of the house there will be no further suggestion that the Canadian government was derelict in its duty in this regard in any single respect.

The leader of the opposition also made reference this afternoon to the Colombo conference and asked me whether I could throw any light on the discussions of that conference in so far as they affected communism, and whether possibly it was as a result of that discussion that action has been taken recently in Australia, has been proposed I believe in South Africa, and has also been taken in India to outlaw communism. He has asked whether that action springs from some discussion at the Colombo conference. Well, we did discuss communism at Colombo. I have already reported briefly upon that aspect of our discussion. It was generally agreed at that conference that the real menace to the peace of the world today is Soviet imperialism, using communism as the spearhead of its aggressive adventures.

The leader of the Indian delegation—and India was cited as a country which has taken somewhat drastic action against communists within their borders—emphasized more than once that it was not communism as an economic social doctrine which was so great a menace as it was Soviet imperialism. I do not think I can give the hon. member any assurance that our discussion at Colombo resulted in any action that has been taken since that time. The Indian action, as a matter of fact, was taken some time before the Colombo conference.

Reference was made this afternoon to the activities of what is called, I believe, the Canadian peace congress, to its president, Mr. Endicott, and to a delegation from that movement which is coming to Ottawa later in this week. I think I have made myself pretty clear as to what I think about this movement, and as to what I think about its leader, who has recently been visiting Moscow.

The delegation which is coming to Ottawa to present the peace petition—I believe that is what they call it—will, as the Prime Minister indicated this afternoon, be received for the purpose of accepting that petition. The Prime Minister indicated that possibly I might receive this delegation. I have telegraphed to them that I hope to be able to see them on Thursday at twelve o'clock; but as I have to attend an important meeting of a committee of the cabinet in the morning, I might not be available, in which case the under-secretary will receive them in my stead. That telegram, I may say, was sent before the beginning of the discussion this afternoon. Personally, I still hope I may be able to see this delegation, because I rather look forward to telling them what I think of their movement and what I think of the activities of their president in Moscow.

My own views in regard to this whole matter have been expressed outside the house, more particularly in a speech I delivered before the Rotary Club of Montreal some time ago, a speech to which reference has been made by more than one speaker this afternoon. So that there may be no misunderstanding as to what I did say, and so that no part of what I said can be taken out of its context, I should like to read into the record one or two paragraphs from that speech,

which explain my own views, and I think will explain the attitude I propose to adopt on this amendment.

I said at that time:

In the absence of these disruptive domestic influences—

And I was referring to communist influences.

—we must constantly ask ourselves what we shall do to minimize them and protect ourselves. The first answer to that question, I am sure, is that we should not be led into hasty or ill-considered action, either at home or abroad. The communists gain part of the victory if they mislead us into thinking that we must always take short cuts in dealing with them, for by so doing we may ourselves weaken the very political institutions which they are seeking to destroy. In endeavouring to destroy the influence of communism, therefore, we must be careful not to throw the baby out with the bath water.

We have always hesitated in this country, sensibly, I think, to make it unlawful either to hold political ideas or to establish organizations to express these ideas. We have reserved the penalties of the Criminal Code for those who by some overt act have threatened the peace and security of the country. I think that this particular democratic tradition is wise in both principle and practice. Once we make it a crime to hold political ideas merely because they are thought to be dangerous, it will then be but a short step to suppressing political ideas because they are not liked. And from a practical point of view, it always seems to me that there is much to be said for having people like the communists organizing in the light so that the public may know who they are and what they are doing, rather than to have them hidden underground. I agree, nevertheless, that the danger from international communism is presently such that we have to keep examining and re-examining ways of meeting that danger.

We are meeting it on the international level by arranging for collective action against an aggressor; by combining national forces and pooling national resources.

And this was the sentence quoted by the hon. member for Eglinton, who preceded me:

We must meet it on the domestic level by strengthening, if necessary, our Criminal Code against actions which threaten the security of the state; but, even more, by keeping our democratic society so healthy and strong that the germs of communism cannot breed in it.

Mr. Speaker, nothing that I have heard or seen since, and nothing I have heard in this discussion, has caused me to desire to change any single word of that statement. I suggest there are two approaches to this problem. One seems to be that embodied—and I hope I am not being unfair in this—in the amendment before us, that we should act now to strengthen the provisions of the law against communists and communism, in the terms of this amendment.

I am not supporting the amendment because I think that kind of action under present circumstances is not called for. The amendment reads—and it has been pretty clearly explained to us by the hon. member for Eglinton:

This house is of the opinion that appropriate legislation should be introduced so that communist and similar activities in Canada may be made an offence punishable under the Criminal Code.

The question at once arises in our minds: What are the activities within the meaning of the amendment that would be activities similar to communist activities? It seems clear that the amendment does not refer to the outlawing of the communist party. I certainly gathered that from the remarks we have just heard from the hon. member for Eglinton (Mr. Fleming), who has said that it is not intended to interfere in any way with a person's beliefs or thoughts. Then we go on to ask ourselves whether under this amendment the statement of communist doctrines in word or in print by a member of the communist party would be an activity within the intention of the amendment. I do not know whether it is or not.

From the remarks of the hon. member for Eglinton I drew the inference that what would occur under this amendment would be a return of section 98 of the Criminal Code. As has been said already, that section was amended in 1936. I ask myself the question: Has communism increased in this country since that section was amended? My answer would be: No, it has not increased, it has decreased. I suggest that one reason for that is that Canada is a better country to live in now than it was in 1936. If we can continue to make it a better country in which to live I hope we shall not have to restore section 98.

But what has increased is the imperialistic might of the U.S.S.R. and the danger of imperialistic aggression from that source. It is difficult to exaggerate that danger. At the same time I suggest that we should not be misled by a consciousness of that danger into taking action in respect of domestic policies which would not be desirable otherwise. I suggest that we use the laws that we have when they are required to be used and they will be found to be adequate. I hope we shall refuse to throw overboard our liberty, remembering that communism is declining in free countries, including Canada. It is declining in our country because it is being beaten by the good sense, the loyal patriotism, the belief in liberty under the law of

our people; by the maintenance of prosperity and the eradication of social and economic injustices.

That in my belief is the way to defeat the domestic menace of communism. Let us then continue to follow that course which has already served us so well until it is clear, as I do not think it is now, that another course is required to accomplish the purpose which we all have in mind—the eradication of the communist menace from this country.

Mr. Alistair Stewart (Winnipeg North): Mr. Speaker, I for one am glad that the leader of the Conservative party has introduced this subject to the house, not only for debate but for decision. With quite a lot of what he said, and indeed with what the hon. member for Eglinton (Mr. Fleming) said, I am in agreement, but I disagree very much with the remedy which they suggest. The leader of the opposition (Mr. Drew) said that communism is not academic, and that is very true. It is certainly not an academic matter in the international field, and as we are confining our remarks to the national field I think we can say that it is not academic in Canada although not nearly so serious as he would have us believe. If communism is not academic we ought to remember that the essential civil liberties which we all profess to cherish are not academic either.

When the hon. member for Eglinton was speaking he said something with which I find myself in agreement. He said that we have one resource which communists do not have, the spiritual strength which is the legacy of Christian people. But immediately he started to tell us how he distrusted the power of that spiritual strength by insisting that there be legislation to bolster it. If we have that spiritual strength, as I think we have, I am not afraid of communism or what communists preach in this country.

Then the hon. member went on to point out certain key words in the amendment. I have picked out other key words which I think are more important. The amendment states that the practice of communist and other activities shall be a criminal offence. What are those other activities? As a member of the C.C.F. I am particularly interested because the Conservative party and individuals who supported that party, as well as individuals who supported the Liberal party, have said on more than one occasion that we in the C.C.F. are merely paving the way for communism.

Mr. Ferrie: You sure are.

Mr. Stewart (Winnipeg North): Who said "You sure are"?

An hon. Member: The member for Mackenzie.

Mr. Stewart (Winnipeg North): I should have known better than to pay any attention to what he says. The hon. member for Eglinton went on to say that he wanted to punish overt acts. I think the real danger of communism is not in the overt acts which are committed, it is in the covert acts. I do not believe Tim Buck is the most important personality in the communist party. There are others in that party in Canada who are much more important than Tim Buck. He is merely one of the front men for that party.

The hon. member for Eglinton has suggested that we should bring back section 98 of the Criminal Code and it is there that I find myself in sharp disagreement. I have never liked the things which the Conservative party has done under that section of the Criminal Code. As I mentioned once before, we have the classic example of a Tory cabinet minister, Mr. Meighen, sending a telegram in 1919 to Winnipeg ordering the officials of that city to deport certain men who were among the strikers, and then going on to say that the act would be legalized. At times the Conservative party in its zeal against communism gets very red-eyed and I distrust its judgment in these matters.

Mr. Drew: On a question of privilege, so that the hon. member may not be in any doubt—he may not have been in the house when I mentioned it this afternoon—the purport of that was very clearly defined by the C.C.F. party itself when an amendment to the amendment we had presented on the speech from the throne was moved. It was the C.C.F. party which added the word "fascist" to "communist" to give a similar generic description to actions of this kind, and that is what is intended in this present motion.

Mr. Stewart (Winnipeg North): I am all in favour of curbing the actions of both fascists and communists, but how do you go about it? Certainly not by suggestions such as have been advanced by my hon. friend. As a matter of fact communism was at its peak in this country when a Conservative government was in power. The way to eradicate communism is not to pass legislation against it but as has been pointed

out time and again, by curing all those things on which communism battens and fattens, by getting rid of social injustice, racial discrimination, slums and the needless poverty which exist. Get rid of these and there will be no communism in Canada.

I want to make my position amply clear. It is a pity I always have to when I speak on the subject. I am no friend of the communists. A couple of years ago I received a letter dated March 18, 1948, from the rather well known Mr. Tim Buck. I shall read only a part of it. It reads:

> Recent press reports indicate that the House of Commons may soon be considering the private bill presented by Mr. Wilfrid LaCroix, M.P. This LaCroix bill proposes that legislation be enacted to declare the Labor-Progressive party an illegal organization . . .

And so on. I replied as follows under date of March 20, 1948:

> Dear Mr. Buck:
>
> I am in receipt of your mimeographed letter of March 18, protesting the bill which is before the House of Commons sponsored by Mr. LaCroix. We shall oppose it, not because we like your party particularly much but because we like democratic freedom more. You will notice here the difference between democracy in the real sense of the word and what is happening in Czechoslovakia.
>
> Believe me your party is not unpopular because you are in the foreground of the current struggle of Canadians against profiteering, etc. The reason is that many suspect you are in the struggle just now because it suits you. Three years ago you were in the struggle during the general election, as you may remember, to elect the very party which you now condemn as the upholders of monopoly and the profit system.
>
> It so happens that you have decided to support the C.C.F. just now, because it is the current North American line to support a third party. You have even told constituents of mine in Winnipeg North that they have to support me. Let me tell you that your policy will change before the next election and that you will oppose me in Winnipeg North as you will oppose the C.C.F. in other areas. That prediction approaches certainty. Nevertheless, despite the known enmity of your party towards the C.C.F, over many years, we will defend your right to express that enmity, even when it is disguised under the cloak of friendship.

That is the position I took then and it is the position which I take now. I know something about communists because I have had to fight against them much harder than many members of the house. So far as I am concerned, the communist party is a very odd mixture of political treachery and intellectual lechery. They cannot be trusted in any sense whatsoever, but I see no reason for adopting communist tactics to defeat communism. If democracy is strong enough, as I think it is, we can defeat communism without doing what is suggested in the amendment. I have seen communists at work in Canada, and I have seen them at work in the country of my birth, in the coal fields of Scotland where they were very strong indeed.

We have seen what has happened in the United Kingdom as a result of a general improvement in the conditions of the people and as a result of a greater measure of social security for all the people. Today the communist party in the United Kingdom is a negligible factor. I think that is so in this country too, although it is always ready to spring into action again when the opportunity presents itself. Nevertheless it is true to say that the communist party in Canada today represents much less of a threat to Canada than it has for many years past.

One thing we have to remember, and which we are constantly inclined to forget, is that we cannot outlaw ideas. We have been told that we are not going to outlaw the communist party; we are just going to outlaw the activities which spring from that party; but I should like to point out again that we never can tell where such legislation is going to stop. It has been pointed out by the leader of the opposition (Mr. Drew) that there is a danger of infiltration. None of us will deny that. That danger is always present, but the danger does not arise from known communists. In my opinion it arises from those who are sympathetic to communism, those whom we do not know to be sympathetic. Certainly the dangerous ones are not the members of the communist party.

Again I think it should be pointed out that if by any chance communism is outlawed in Canada it will have one effect only. Communism will be driven underground, and there is a sufficiently lunatic fringe in every society who like some sort of perverted excitement and who would be encouraged to try to join such a group if it were declared outlawed, not because they like communism but because of the thrill which they feel they are getting. For my part I want to see communists put where we can point a finger at them, where we can watch what they are doing. If we want to find out how to handle communists adequately in this country all we have to do is to look at what the trade unions have done.

I said earlier that I believe Canadian democracy is strong enough to stand up against any subversive attempts such as communists, fascists, or any other group can bring to bear. I say that because I have complete faith in the common sense of the Canadian people. When we suggest that we

must legislate to stop this thing then by inference we suggest that the Canadian people are not intelligent enough to withstand the lure and indeed the guile of communism. I hope that the amendment will be most thoroughly defeated. I hope so for this reason, if for none other, that it is high time the world saw that in one part of North America at least there is still, if I may mix my metaphors, a beacon of sanity.

On motion of Mr. Macdonnell (Greenwood) the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow we will continue this debate, hoping to reach a vote. As announced last night, two departments will be called, national health and welfare and post office. Then we would like to go into ways and means and have a vote on the amendment of the leader of the opposition. Then we will take up the budget resolutions.

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

HOUSE OF COMMONS

Wednesday, May 3, 1950

The house met at three o'clock.

STANDING ORDERS

First report of standing committee on standing orders.—Mr. MacLean (Cape Breton North and Victoria).

CRIMINAL CODE AMENDMENT

REPORTED PROVISION FOR COMPULSORY BLOOD TESTS OF INTOXICATED DRIVERS

Hon. Stuart S. Garson (Minister of Justice): On Monday evening last the hon. member for Lake Centre (Mr. Diefenbaker) asked me a question, which is reported at page 2054 of *Hansard*, in reference to a report which had appeared in one of the Ottawa newspapers of that date, to the effect that a provision for compulsory blood tests for persons suspected of driving while drunk is being considered for inclusion in the Criminal Code. He wanted to know whether that report was correct. The newspaper report states that federal authorities now feel that the science of blood testing to establish alcohol content and relating the information to the driving capacity of a car operator has reached the point where it could be used in connection with prosecutions.

The source of this news report is not disclosed, but I should like to state emphatically that there is not the slightest foundation in fact for it. Neither the Department of Justice nor the Criminal Code revision commission has under consideration a proposal to amend the Criminal Code to compel persons accused of drunken driving to submit to the taking of a blood test.

Some time previously another newspaper contained a report that I had addressed communications to the attorneys general of the provinces proposing changes to be made in the law respecting drunken driving. I had not written any such letters, nor had I under consideration any proposal to do so. I concluded that this previous news report had some connection with the fact that the Criminal Code revision commission, which was sitting at Ottawa at the time, had given a direction to its secretary to submit two questions to the deputy attorney general of each province, asking first, whether, as a result of experience in enforcing section 285 of the Criminal Code, they would favour retaining the provision of the law that calls for a minimum sentence of imprisonment on conviction of drunken driving, and, second, what compulsory period of suspension of the driver's licence they would favour as a result of their experience.

At the present time these are the only matters relating to the drunken driving provisions of the Criminal Code that are under consideration.

Mr. Diefenbaker: May I refer to the fact that, according to a press report, the attorney general of British Columbia, Gordon S. Wismer, announced on April 29 that amendments are being drafted to the Criminal Code to stop the many acquittals the courts have been forced to render.

The report goes on to say:

> He said the question was discussed with F. P. Varcoe, deputy minister of justice. Blood tests, balloon tests and other examinations for drunkenness were being investigated. Also being considered was placing the onus on the person suspected of drunken driving.

Mr. Wismer said:

> And I expect a letter any day now asking my opinions on contemplated code changes.

Mr. Wismer apparently thinks it was under examination.

Mr. Garson: Since my hon. friend has read that report, and notwithstanding its contents, I think I should again assert that the communication which I have given to the house is quite correct. I think in fairness to Mr. Varcoe I should say that he and I conferred in its preparation.

UNEMPLOYMENT INSURANCE

APPOINTMENT OF MEMBERS TO ADVISORY COMMITTEE

Mr. Paul E. Cote (Parliamentary Assistant to the Minister of Labour): Mr. Speaker, I wish to lay on the table copy of order in council P.C. 2044, of April 27, 1950, authorizing the appointment of T. H. Cooper, of Montreal, representing the railway companies, and A. J. Kelly, of Ottawa, representing the railway brotherhoods, as members of the unemployment insurance advisory committee, in accordance with the amendments to the Unemployment Insurance Act providing for two additional members of the committee.

Questions

SPEECH FROM THE THRONE

ACKNOWLEDGMENT OF ADDRESS IN REPLY

Mr. Speaker: I have the honour to inform the house that I have received a communication from His Excellency the Governor General, signed by his own hand, reading as follows:

Government House, Ottawa
May 2, 1950

Members of the House of Commons:

I have received with great pleasure the address that you have voted in reply to my speech at the opening of parliament. I thank you sincerely for this address.

Alexander of Tunis

AERONAUTICS ACT

AMENDMENT WITH RESPECT TO POWER OF MINISTER TO MAKE REGULATIONS, ETC.

Hon. Lionel Chevrier (Minister of Transport) moved the first reading of Bill No. 153 (from the Senate) to amend the Aeronautics Act.

Motion agreed to and bill read the first time.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 154, for the relief of Lillian Soper Pearce Smith.—Mr. Winkler.

Bill No. 155, for the relief of Antoinette Carriere Lepine.—Mr. Winkler.

Bill No. 156, for the relief of Marjorie Blythe Shore Marriott.—Mr. Winkler.

Bill No. 157, for the relief of Norman Harold Lucas.—Mr. Winkler.

Bill No. 158, for the relief of Blanche Irene Aurore Schryer Batryn.—Mr. Winkler.

Bill No. 159, for the relief of Leah Judith Godfrey Green.—Mr. Winkler.

Bill No. 160, for the relief of Phyllis Martin Payne.—Mr. Winkler.

Bill No. 161, for the relief of Geraldine Estelle Leduc Brunet.—Mr. Winkler.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

BEGG BUILDING, VANCOUVER

Mr. Green:

1. What is the aggregate amount paid, and to be paid, to Allan & Viner Construction Company, Limited, under contract for alterations in and additions and improvements to what is known as the Begg building in Vancouver?

2. Has this firm made claim for payment of any extras over and above such contract price?

3. If so, what is the amount so claimed?

4. How much has been and will be paid on such claim?

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

Mr. Fournier (Hull):

1. $1,399,022.89.

2. No.

3 and 4. Answered by No. 2.

CANADIAN NATIONAL RAILWAYS—NEWFOUNDLAND—EARNINGS AND EXPENSES

Mr. Browne (St. John's West):

What have been the earnings and expenses of the Canadian National Railways in Newfoundland, during the year ending March 31, 1950, for (a) passengers; (b) freight; (c) Newfoundland dock yard; (d) Newfoundland hotel?

Mr. Chevrier:

The Canadian National Railways advise as follows:

Operating revenues of the Canadian National Railways in Newfoundland, including rail, express and steamers, during the year ending March 31, 1950:

Passenger, $1,524,946; freight, $4,734,075; dockyard, $1,014,316; all other, $1,497,126; total: $8,770,463.

Operating expenses of the Canadian National Railways in Newfoundland, including rail, express and steamers, during the year ending March 31, 1950:

Dockyard (includes maintenance of facilities used for railway purposes), $1,088,881; all other (separation of expenses between freight and passenger is not maintained), $11,098,701; total, $12,187,582.

Note: The Newfoundland hotel was not taken over until October 1, 1949, and the results of operation from that date to March 31, 1950, are not yet available.

CONSUMPTION AND SALES OF FISH

Mr. Isnor:

1. What has been the yearly consumption of fish in Canada, per person, for the years 1935, 1940, 1945, 1947, 1948, 1949?

2. What action has been taken in the past five years by the Department of Fisheries to increase the consumption of fish?

3. What plans are there for the immediate future to enlarge sales in (a) domestic markets; (b) foreign markets?

Mr. MacNaught:

1.

Year	Edible weight pounds per capita
1935	*
1940	9·3
1945	9·9
1947	11·5
1948	12·2
1949	†

*No figures available.

†Figures not yet available.

2. Establishment of an experimental kitchen for the testing of fish products and the creation of new recipes.

Expansion of department's home economist service.

Exhibits emphasizing value of fish as food at national and regional exhibitions, with distribution of pamphlets and fish cookbooks.

Retail market studies and furnishing of basic facts ascertained therefrom to industry.

Publication of trade news monthly, which includes a review of market position and outlook.

Publication, periodically, of market bulletins giving comprehensive review of markets and outlook.

Advertising to limited extent in fisheries trade periodicals in special editions of magazines and papers in Canada and in foreign publications.

Expansion of department's information service, particularly along lines of consumer interest.

Development through fisheries research board of specially designed refrigerator car for fish transportation.

Continued research towards improving quality of products to be marketed.

3. (a) Three new branches of the department are being established: (1) Fish inspection branch to bring into effect quality inspection, as envisaged by the Fish Inspection Act, 1949, 13 Geo. VI, chapter 23; (2) technical services branch, which will, amongst other things provide advice and assistance to wholesale and retail fish trade in the improvement of individual operations. Particular effort will be made to encourage the railway companies to make operational tests of the new refrigerator car and to have the fishing industry and manufacturers of refrigeration equipment help finance the extended use of low cost freezing units; (3) consumer service branch, with the object of enlarging and improving the work of home economists in demonstration and lecturing work, in fish cooking, to women's groups and schools; making particular effort to increase the use of fish in hotels, restaurants and institutions; expanding the use of new cookbooks, pamphlets, instructional films and exhibits to help consumers to know how to buy, what to buy and how to cook and serve fish.

3. (b) With regard to export markets, fullest consideration will be given to the fish trade in co-operation with the Department of Trade and Commerce in the formation of any general policies that look forward to the opening of European, commonwealth and West Indies markets, or to reduction in United States tariffs.

Questions

HEALTH GRANTS—RESEARCH PROJECTS—MANITOBA

Mr. Viau:

In respect of what research projects and in what amounts has approval been given for financial assistance to Manitoba by the federal government under the national health grants program since the program started in 1948?

Mr. Martin:

Under the public health research grant:	
1. Study of the physical environment of small schools	$ 2,111.50
2. Study of milk processing methods	3,500.00
3. Study of rural septic tank operations	1,500.00
4. Study of nitrates in ground waters	1,200.00
Under the mental health grant:	
1. Survey of case histories of all admissions to the Brandon mental hospital for the purpose of evaluating the various forms of treatment	3,380.00
2. Investigation at the Brandon mental hospital of the correlation between cholesterol metabolism and the causation of various forms of mental disease..	534.00
Under the general public health grant:	
1. Investigation into effectiveness of treatment with ACTH and cortisone	9,500.00
	$21,725.50

MOTOR VEHICLES—IMPORTS FROM CZECHOSLOVAKIA

Mr. Brown (Essex West):

1. Have any automobiles, trucks or other motor vehicles recently been imported into Canada from Czechoslovakia?

2. If so, by whom, and for what purpose, and what was the import value for duty purposes, imposed on the said motor vehicles?

Mr. McIlraith:

1. Imports from Czechoslovakia:

Item	Number	Value
Automobiles		
Calendar year 1949	56	$52,150
January and February, 1950	51	35,413
Motorcycles		
Calendar year 1949	1,100	228,947
January and February, 1950	33	14,364

2. Names of importers not available.

Questions

PENSION APPEAL BOARD

Mr. Pearkes:

1. How many cases, in each district, were heard during the years 1948 and 1949, before the appeal board of the Canadian pension commission?

2. In how many of these cases were the decisions of the commission reversed or modified?

Mr. Mutch:

1 and 2. Statement of appeal board cases heard during calendar years 1948 and 1949, and showing number granted and not granted:

Year 1948

	Heard	Not granted	Granted
Nova Scotia	34	16	18
Prince Edward Island	12	9	3
New Brunswick	133	76	57
Quebec	252	149	103
Ontario	597	315	282
Manitoba	152	80	72
Saskatchewan	64	33	31
Alberta	98	40	58
British Columbia	215	125	90
Total	1557	843	714

Year 1949

	Heard	Not granted	Granted
Newfoundland	—	—	—
Nova Scotia	72	32	40
Prince Edward Island	16	6	10
New Brunswick	69	46	23
Quebec	366	221	145
Ontario	748	403	345
Manitoba	169	86	83
Saskatchewan	102	56	46
Alberta	102	41	61
British Columbia	247	135	112
Total	1891	1026	865

CANADIAN MERCHANT MARINE—CASUALTIES IN WORLD WAR II

Mr. Knowles:

1. What was the total number of casualties, including killed, wounded and missing, in the Canadian merchant navy during world war II?

2. What was the total number and tonnage of Canadian merchant ships sunk, during world war II?

Mr. Chevrier:

1. 1,161.

2. Sixty-eight vessels of 330,254 gross tons registry.

[Mr. McIlraith.]

ROYAL CANADIAN NAVY—TIME SPENT BY SHIPS AT SEA

Mr. Pearkes:

1. How many days during 1948, 1949, did H.M.C.S. *Magnificent* spend at sea?

2. How many days during 1948, 1949, did H.M.C.S. *Ontario* spend at sea?

3. How many days did each destroyer of the Royal Canadian Navy spend at sea, during 1948, 1949?

4. How many days did each frigate of the Royal Canadian Navy spend at sea, during 1948, 1949?

Mr. Blanchette:

	1948	1949
1. H.M.C.S. *Magnificent*	59	94
2. H.M.C.S. *Ontario*	118	114
3. H.M.C.S. *Athabaskan*	81	121
H.M.C.S. *Cayuga*	100	24
H.M.C.S. *Crescent*	131	136
H.M.C.S. *Haida*	127	156
H.M.C.S. *Iroquois*	-	34
H.M.C.S. *Micmac*	-	7
H.M.C.S. *Nootka*	144	102
4. H.M.C.S. *St. Stephen*	187	152
H.M.C.S. *Swansea*	119	144
H.M.C.S. *Antigonish*	120	158
H.M.C.S. *Beacon Hill*	-	45

WAR GRAVES IN OVERSEAS CEMETERIES

Mr. Pearkes:

1. How are the graves of Canadian soldiers, who fell in world war II, marked in overseas cemeteries?

2. Do the inscriptions on the crosses or headstones contain the name of the soldier who fell, his corps or his regiment, if he was in the corps of infantry?

3. Are records kept in each cemetery so that a visitor can readily find the grave of an individual soldier, or those of members of any particular regiment?

Mr. Blanchette:

1. Originally by temporary crosses. Replacement of these temporary crosses by the erection of permanent headstones is now and has been in progress for some time.

2. The temporary crosses bore the name, regiment, and date of death, of the soldier.

The permanent headstones show:—

(a) The Canadian maple leaf within an incised circle.

(b) Regimental particulars, i.e., number, rank and name.

(c) Decorations, if any.

(d) The official Canadian designation of the corps of the deceased.

(e) The date of death and, where possible, the age at time of death.

Infantry regiments are grouped together under Canadian Infantry Corps which is shown on the headstones.

3. Yes.

IMPORTS OF MOTOR VEHICLES, 1946-49

Mr. White (Middlesex East):

1. What is the number of British-made cars imported by Canada in the following years, 1946, 1947, 1948, 1949?
2. What is the retailing value in Canada of imported British-made cars for the years 1946, 1947, 1948, 1949?
3. What is the number of foreign-made cars, exclusive of British and United States, imported by Canada in the following years 1946, 1947, 1948, 1949?
4. What is the retailing value in Canada of those cars, valued by years?
5. What is the total number of foreign-made cars, exclusive of the United States, imported by Canada in 1939, and retailing value of those cars?

Mr. McIlraith:

1.

Year	Passenger cars
1946	583
1947	1,933
1948	14,177
1949	31,231

2. No information.

3.

1946	..
1947	7
1948	83
1949	511

4. No information.

5.

1939	656

(Retail value not known)

ILE A LA CROSSE, SASK., POST OFFICE

Mr. Coldwell:

1. Who is the postmaster at Ile a la Crosse, Saskatchewan?
2. Who is the owner of the property in which the post office at Ile a la Crosse is situated?
3. Is any other business carried on from this property?
4. If so, what kind of business is it, and by whom is it carried on?
5. Does the postmaster work full time in the post office?
6. If not, how is he otherwise employed?
7. When was the postmaster appointed?
8. Have there been any alleged irregularities at this post office since January 1, 1948?
9. If so, what was the nature of the alleged irregularities?
10. Have they been investigated, and if so, by whom?
11. What has been the result of any investigation?

Mr. Lapointe:

1. Mrs. Constance Gertrude Marion is in temporary charge pending the selection of a permanent postmaster.

2. L. M. Marion.

3. Yes.

4. General store conducted by L. M. Marion.

5. No.

6. No definite information.

7. 25th November, 1949 (temporary appointment).

8. Yes.

9. There was a shortage of approximately $2,000 in accounts in November, 1949.

10. Yes, by field officers of the Post Office Department.

11. The postmaster, Mr. A. Ahenakew, was relieved of office. A temporary postmaster was installed, as indicated above. Final action is awaiting result of further investigations, which have been retarded due to isolation of the district.

WARTIME PRICES AND TRADE BOARD—OFFICES STILL IN OPERATION

Mr. Catherwood:

1. How many offices of the wartime prices and trade board were in operation in Canada when the war ended in 1945?
2. How many such offices are operating in Canada at the present time and in what locations?

Mr. Sinclair:

1. The wartime prices and trade board had 124 regional and local offices operating in Canada when the war ended in 1945.

2. The following 44 regional, district and branch offices are in operation in Canada at the present time:

Halifax, Saint John, Charlottetown, Sydney, Moncton, Montreal, Quebec, Jonquiere, Rimouski, Riviere du Loup, Drummondville, Granby, Joliette, Rouyn, Sherbrooke, Three Rivers, Valleyfield, Toronto, Ottawa, London, North Bay, Belleville, Brockville, Cornwall, Kingston, Barrie, Hamilton, Peterborough, St. Catharines, Brantford, Kitchener, Owen Sound, Windsor, Sault Ste. Marie, Sudbury, Timmins, Winnipeg, Brandon, Fort William, Vancouver, Edmonton, Calgary, Kamloops and Victoria.

EXPORTS AND IMPORTS, WHEAT AND OTHER COMMODITIES, 1949

Mr. Noseworthy:

1. What quantities of wheat were exported from Canada to the United Kingdom in 1949?
2. What quantities of flour were exported from Canada to the United Kingdom in 1949?
3. What quantities of hides were imported into Canada from the Argentine in 1949, and what is the value of same?
4. How many (a) dairy cattle; (b) beef cattle; (c) cattle under 400 pounds, were exported from Canada to the United States in 1949?
5. How many in each of the above categories were shipped from Toronto?
6. What quantities of apples were exported from Canada to the United Kingdom in 1949?
7. What quantities of these were from (a) British Columbia; (b) Ontario; (c) Nova Scotia?

Questions

Mr. McIlraith:

1. 139,281,181 bus.

2. 4,768,739 bbls.

3. Cattle hides, 3,000 hides, $31,796; sheepskins, 201,987 skins, $322,272.

4. (a) Dairy cattle, 200 lbs. to 700 lbs., 199; dairy cattle, over 700 lbs., 46,845;
(b) Beef cattle, 200 lbs. to 700 lbs., 102,348; beef cattle, over 700 lbs., 215,889.
(c) Cattle, less than 200 lbs.†, 31,483.

†Cattle 200 lbs to 400 lbs. included in dairy cattle or beef cattle above. Separate figures not available.

5. Information not available.

6. 526,556 bbls.

7. Information not available.

EXPORTS OF MOTOR VEHICLES

Mr. Noseworthy:

1. How many automobiles and how many tractors were exported from Canada to sterling area countries in 1949?
2. How were these paid for?

Mr. McIlraith:

1. Automobiles, freight, 10,982; automobiles, passenger, 14,851; tractors, 241.

2. These were exports entering Canadian commercial trade and presumably were paid for in the normal commercial manner.

*BELL ISLAND, NFLD., IRON ORE

Mr. Higgins:

1. Have discussions taken place between the Minister of Trade and Commerce and any person or persons relative to the sale of 300,000 tons of Bell island iron ore?
2. If so, what is the result of such discussions?

Mr. Howe: I can answer this question again orally. I have already answered it at least twice. However, for the third time:

The first discussion that took place in reference to the sale of 300,000 tons of Bell island iron ore took place in my office when the president of Dosco called to say that he was negotiating for such an order, and asking for certain help from the department, which was extended.

The second conversation took place about two hours later when Mr. Smallwood called me about the Bell island ore, and I told him of those negotiations. That ended any discussion on the subject from that day to this. I did exchange letters with Mr. Millard, head of the steel workers' union, with reference to the conversations.

Mr. Higgins: Did you give Mr. Smallwood the assurance that the sale had been made?

[Mr. Noseworthy.]

Mr. Howe: No; I told him exactly what I had been told by Dosco. Perhaps I should not have passed on the information, but I did. I said that the sale was under negotiation.

Mr. Speaker: Answered.

JUDGES—NEWFOUNDLAND

Mr. Higgins:

1. Have steps been taken to appoint a fourth judge to the Supreme Court of Newfoundland?
2. If so, when will such appointment be made?
3. How many district court judges are to be appointed in Newfoundland?
4. When are such appointments to be made?

Mr. Garson:

1. No.

2. Answered by No. 1.

3. The Newfoundland legislature has not as yet enacted legislation creating any district court judgeship.

4. Answered by No. 3.

(*See also revised answer at page 2800.*)

GANDER, NFLD., AIRPORT

Mr. Higgins:

1. Have the restrictions against the building of private homes within a radius of five miles of Gander airport been removed?
2. Is it proposed to reconstruct the runways at Gander airport?
3. If so, when is it proposed to begin the work?
4. Are there any restrictions against the landing of Boeing aircraft at Gander airport?
5. If so, when will they be removed?

Mr. Chevrier:

1. No.

2. The runways at Gander will be reconstructed as circumstances require and funds permit.

3. It is hoped to do some work on runway reconstruction at Gander next year.

4. There are no landing restrictions specific to any particular type of aircraft, but the airport was closed to all aircraft with an operating weight in excess of 105,000 lbs. on April 19, 1950.

5. These restrictions will be removed as soon as the area dries sufficiently to make their imposition unnecessary. It is estimated that this should be about May 15.

BELL TELEPHONE COMPANY—APPLICATION FOR RATE INCREASES

Mr. Knowles:

1. What is the present status of the Bell Telephone Company's application for an increase in rates in Ontario and Quebec?
2. Have any interim increases been granted?
3. Are increases in telephone rates being sought anywhere else in Canada outside of Ontario and Quebec?
4. If so, where, and what is the status of each such application?

Mr. Chevrier:

1. The Bell Telephone Company's application for an increase in subscribers' rates in Ontario and Quebec is being heard by the board of transport commissioners.

2. None by the board of transport commissioners.

3. Yes. In British Columbia. (Subject to jurisdiction of board of transport commissioners).

4. The application of the British Columbia Telephone Company for an increase in subscribers' rates was heard by the board of transport commissioners commencing in the early part of January, 1950, and judgment of the board therein was reserved and has not yet been delivered.

SILVER-LEAD ORE AND CONCENTRATES, YUKON TERRITORY

Mr. Green:

1. Will the government consider establishing a hydro plant at Miles canyon on Yukon river for the purpose of generating electricity and the erection and operation of a smelter at that point for the smelting of silver-lead ore and concentrates now being produced in Yukon?

2. Is the government aware that at present all ore and concentrates produced in Yukon have to be transported to the coast of Alaska, and from there further long distances for smelter treatment, chiefly in the United States of America?

Mr. Prudham:

1. Some consideration has been given to the establishment of a hydroelectric plant at Miles canyon for generating electricity for general purposes. The power requirements are now under consideration.

2. Yes.

HALIBUT FISHING SEASON

Mr. Green:

1. Has the international fisheries commission requested that the halibut treaty be amended to give the commission power to regulate the halibut fisheries, for instance, by splitting the season?

2. Has the United States government signified its willingness to amend the treaty?

3. Have any recommendations been made by the Department of Fisheries to the governor in council that the treaty should be amended?

4. If not, for what reason were recommendations withheld?

5. Has the commission supplied the Department of Fisheries with data indicating that some 4,000,000 pounds more halibut could be taken annually if the treaty was so amended?

6. Did the commission in 1949 hold open hearings at all principal fishing ports?

7. Was the consensus of opinion in favour of extending the season?

8. Has the United States government informed the commission that under the present treaty they have no power to split the season?

Mr. MacNaught:

1. Yes.

2. Yes.

3. No.

4. The proposed amendments to the treaty were varied in kind, and among them were proposals which, if sanctioned, would involve the halibut commission directly in the regulation of the halibut fishery for economic and marketing purposes as well as for conservation. This would mean a significant change in the original terms of reference to the commission. Strong differences of opinion have been expressed by different sections of the Canadian industry on the desirability of this extension of power to an international commission. Discussions with the fishing industry are still being held with a view to achieving some reconciliation of these views.

5. No data have been supplied, but in our estimates this year we are asking for additional funds to provide our share in increasing the commission's scientific investigations into this question.

6. Yes.

7. Yes, but not under the formula of the split season as proposed by certain sections of the fishing fleets.

8. Yes.

RAILWAY CONNECTION BETWEEN CANADA AND ALASKA

Mr. Knowles:

1. Has an agreement been reached between Canada and the United States for the conducting of a location survey for a railway connection between a Canadian railway point and Alaska?

2. If so, what are the terms of such agreement, and does the territory to be surveyed include the Peace river block and the eastern slope of the Rocky mountains?

3. If no agreement has yet been reached, what is the status of negotiations between Canada and the United States with respect to this matter?

Mr. Pearson:

1. No.

2. Answered by No. 1.

3. There have been no negotiations.

DOMINION FIRE COMMISSIONER

Mr. Knowles:

1. Who is the dominion fire commissioner?

2. If the person filling this position at the present time is not permanently appointed thereto, how long is it since there was a permanent, full-time dominion fire commissioner?

3. When will a permanent, full-time appointment to this post be made?

4. What is the total staff of the dominion fire prevention branch?

Mr. Sinclair:

1. The position of dominion fire commissioner is now vacant, but the duties of the position have been performed, so far as possible, in an acting capacity, by Sergeant E. Scholfield, who is a member of the R.C.M.P.

2. Sergeant E. Scholfield is not permanently appointed to the position of dominion fire commissioner, which was rendered vacant by the death of the former permanent full-time incumbent, Mr. W. L. Clairmont, on April 24, 1949.

3. The civil service commission has conducted a competition for filling the position, and an appointment is expected to be made shortly.

4. The total number of positions in the fire prevention branch of the department of insurance is two.

QUESTIONS PASSED AS ORDERS FOR RETURNS

*JUDGES' SALARIES

Mr. Knowles:

1. Have representations been made to the Minister of Justice, at any time since January 1, 1949, by any judge, group of judges, or association acting on behalf of judges, requesting salary increases or changes in pension provisions?

2. If so, from whom have such representations been received, and under what date or dates?

3. What are the main arguments put forward in any such representations?

Mr. Garson: Mr. Speaker, having discussed this question with the hon. member for Winnipeg North Centre I think that I should reply orally as follows:

We have had a number of representations made to us by individual judges, and by one group of judges, requesting salary increases or changes in pension provisions. Several of the individual judges writing to me have marked their letters "confidential", and some are not so marked. One of the most carefully considered requests for salary increases has come from the county and district court judges of Ontario, who certainly did not mark their material confidential; and, after discussing this matter with the hon. gentleman who asked the question, it was thought that we should not put in the letters from the individual judges, but that I should table a copy of the correspondence which has passed between the committee representing the county and district court judges of Ontario and myself.

This correspondence is lengthy, so I shall treat the question as an order for a return and table the return at once.

Return tabled.

[Mr. Knowles.]

CENTRAL MORTGAGE AND HOUSING CORPORATION PERSONNEL, PROPERTIES, ETC.

Mr. Fraser:

1. How many people are employed by the Central Mortgage and Housing Corporation?

2. Of these, how many are (a) male temporary employees; (b) female temporary employees; (c) male permanent civil servants; (d) female permanent civil servants?

3. How many employees receive more than $3,500 per year?

4. What are their names, duties, home office, salaries and travelling expenses for 1949?

5. How many offices are operated by Central Mortgage and Housing Corporation?

6. Where are they located?

7. Does the Central Mortgage and Housing Corporation pay the rent and upkeep on all these offices?

8. If not, who does pay it?

9. What is the average cost of collecting rents of all Central Mortgage and Housing Corporation properties?

Mr. Prudham: Return tabled.

PENICILLIN

Mr. Herridge:

1. Has a tariff been imposed on penicillin? If so, what is the rate of such tariff, and when was it first given effect?

2. What was the value of penicillin imported into Canada for the years 1945, 1946, 1947, 1948, 1949?

Mr. Fournier (Hull): Return tabled.

GOVERNMENT PURCHASES OF OLEOMARGARINE

Mr. Knight:

1. Was any margarine purchased by any department of the government, between January 1, 1949, and April 25, 1950?

2. If so (a) what were the departments making the purchases; (b) what amounts were purchased in each case?

NATIONAL PHYSICAL FITNESS ACT

Mr. Knight:

1. What provinces signed the agreements with the federal government under the terms of the National Physical Fitness Act, and for what periods have these agreements been made?

2. What amounts of money have been paid to each of the provinces each year under the terms of the act, and what proportion of the total provincial expenditures on physical fitness and recreation programs do the federal grants make up?

3. Has the amount of federal assistance available to each of the provinces been sufficient to accomplish the purposes of the act?

4. What regulations have been made as provided for under section 14 of the act?

Mr. Knight:

1. What provision under the National Physical Fitness Act has been made for the training of volunteers, part-time, and full-time paid leaders for community fitness and recreation programs at the national, provincial and local levels?

2. Have standards been developed for programs, personnel and facilities under the direction of the council during the past five years?

3. What matters have been investigated as provided for under section 10 of the act?
4. Are reports available concerning the findings of such investigations?
5. What recommendations has the council made to the minister with regard to the promotion of physical fitness, and what action has been taken on these recommendations?

PUBLIC SERVICE—TRAVELLING AND MOVING EXPENSES

Mr. Balcer:

What was the total amount of travelling and removal expenses paid by the federal treasury in (a) the year 1948; (b) the year 1949?

FEDERAL GOVERNMENT EMPLOYEES IN NEWFOUNDLAND

Mr. Higgins:

How many persons are employed in the federal services in Newfoundland, from (a) the province of Newfoundland; (b) other provinces?

FREIGHT ASSISTANCE ON WESTERN FEED GRAINS

Mr. Ross (Souris):

1. Is freight assistance on western feed grains granted in Canada beyond Fort William, Ontario, or Vancouver, British Columbia?
2. If so, where to?
3. Are milling companies or feed companies permitted freight assistance or drawback on freight on oats or coarse grains purchased or handled by them?
4. If so, what companies during 1948 and 1949 obtained freight assistance or drawback on coarse grains, and what amounts?

MOTIONS FOR PAPERS

DENIAL OF THE USE OF MAILS

Mr. Knowles:

For a return showing the names and addresses of all persons, associations or companies in Canada denied the use of the mails at the present time, and showing also the reason and the authority for such denial in each case.

For a return showing the names and addresses of all companies or associations in Canada who are denied the use of the mails at the present time by virtue of any order or decision made since December 1, 1949, and showing also the reason and the authority for such denial in each case.

May I point out that these two motions, which on today's order paper are numbered 1 and 5, are similar. I have made certain changes in the first one, and I should like to ask that it be dropped in favour of the second. While I am on my feet I might add that the Acting Postmaster General has asked me to allow the second one to stand for today.

NAKUSP-EDGEWOOD, B. C., MAIL SERVICE

Mr. Herridge:

For a copy of all correspondence, telegrams, contracts, and other documents exchanged between the Post Office Department, its officials, and any other parties in regard to the present mail contract governing delivery of mail between Nakusp and Edgewood.

PRAIRIE FARM ASSISTANCE—DAMMING OF BEAUVAIS LAKE, ALTA.

Mr. Hansell:

For a copy of all correspondence and other documents exchanged during the past ten years between the dominion government, any minister, department, branch or official thereof, and any person or persons, together with inspector's reports and contracts, in connection with any proposed P.F.R.A. scheme for damming the Beauvais lake near Pincher Creek, Alberta, at any point.

BUSINESS OF THE HOUSE

INQUIRY AS TO FURTHER LEGISLATION

On the orders of the day:

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, on April 17 the hon. member for Peel (Mr. Graydon) directed a question to the Prime Minister in regard to any legislation not now indicated but which might be coming before the house this session. At that time the Prime Minister said he would consult his colleagues and be in a position to inform the house as to new legislation which might be expected. Can he now do so?

Right Hon. L. S. St. Laurent (Prime Minister): I immediately took the matter up with several departments. We spent some considerable time yesterday discussing the replies that had been received from departments. The discussion was not completed yesterday, but we hope to complete it tomorrow.

DOUKHOBORS

HOUSING OF CHILDREN AT PATRICIA BAY AIRPORT

On the orders of the day:

Mr. G. R. Pearkes (Nanaimo): I should like to ask a question of the Minister of Transport. Has the minister authorized the use of certain buildings at Patricia Bay airport for the accommodation of Doukhobor children and families? If so, how many Doukhobors are being sent there, and what arrangements have been made for their accommodation and the security of public buildings?

Hon. Lionel Chevrier (Minister of Transport): The answer to the question is yes. The buildings at Patricia Bay airport are the property of the Royal Canadian Air Force, but the Department of Transport are the custodians. Recently representations were made to the department by officials of the department of health and welfare of the government of British Columbia indicating to us that they would require the buildings, for the purpose of housing some 300 to 350 children, and asking if we would place the

buildings at their disposal. During the discussions it was indicated that all the requirements of the Department of Transport would be met, and furthermore that the provincial authorities would undertake to arrange for water, light and power as required, and that they would guarantee to return the buildings to us in as good shape as they are at the present time.

In view of that, the concurrence of the Department of National Defence was sought and obtained, and on that basis I authorized the officials of the department to grant a lease to the department of health and welfare of British Columbia. The lease is now in course of preparation. Meantime the buildings are available for those persons if they require them.

Mr. Pearkes: What is the period of the lease?

Mr. Chevrier: There is no definite time in the lease. No request has been made as to that, but I think it will be a lease at pleasure. The hospitals and adjoining buildings are sufficient for 150 or 200 people, but I understand the province wishes to move beds and the like to take care of these 350 people.

TRANS-CANADA AIR LINES

TRANSFER AND REDUCTION OF STAFF AT WINNIPEG

On the orders of the day:

Mr. Alistair Stewart (Winnipeg North): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. What information can the minister give the house concerning transfers and layoffs, both current and pending, of T.C.A. personnel in Winnipeg?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I received notice of this question an hour or two before the house opened, and the information I am giving now is that obtained over the telephone from the head office of the Trans-Canada Air Lines.

Statements recently appearing in the Winnipeg press affecting Trans-Canada Air Lines require correction in order that both T.C.A. personnel and the citizens of Winnipeg may be under no misapprehension as to the company's actions and plans. T.C.A. has consistently stated that, other than the headquarters move in October, 1949, it did not contemplate any transfer of operating functions away from Winnipeg. T.C.A. has not transferred away from Winnipeg any such function, nor does it contemplate doing so.

Staff layoffs have taken place in recent weeks, and further layoffs will take place when circumstances justify that action as T.C.A., as with any other efficient organization, cannot retain personnel for which it can foresee no essential work. To refrain from layoffs under these circumstances would be unfair to the employee concerned, and, in the case of a publicly-owned company, unfair to the taxpayer.

The facts regarding the recent and immediately contemplated reduction in the staffs of various units in the company are as follows:

The strength of the engineering department has been reduced by 55 by means of the transfer of 16 employees to other departments within the company, the layoff at Montreal of 21 employees, and the layoff at Winnipeg of 18 employees. The development shop personnel will, by June 15, have been reduced by 19, 17 of whom will have been transferred back to the various shops from which they were originally drawn, and two of whom will be laid off. The strength of the metal shop has been reduced by seven employees hired on a temporary basis for a specific job. Ten other employees of the metal shop will suffer enforced layoffs due to the transfers from the development shop of more senior people.

The company contemplates the adoption of what is known as progressive major overhaul work. This practice is essential, since the company's twenty North Star aircraft all went into service within a period of two months. Therefore the amount of flying time on each aircraft in the group is about the same. If major overhaul work was undertaken only at the required interval of perhaps 10,000 hours of flying, all aircraft of the North Star fleet would reach this stage within a very few months of one another. This would impose an impossibly large work load at some time in the future, and would mean that the company would be temporarily deprived of the use of several of these aircraft simultaneously, to the detriment of its services. The adoption of this practice deprives Winnipeg of no work of this type which it has had, since no North Star aircraft has as yet attained the flying time requiring major overhaul.

Progressive major overhaul, as a practice, was not applied to the DC-3 aircraft, since it was expected that these would have been replaced by new aircraft before they had reached the number of hours requiring major overhaul. The rapid expansion of the company's services, however, and the resulting accumulation of service hours, made it necessary to commence a program of major overhauls of the DC-3 aircraft late last year, and this program will be completed this year. It

is not expected that the DC-3's will reach a second major overhaul period—which would not occur inside of three or four years—while still in T.C.A.'s service, and therefore progressive major overhaul, if applied to this aircraft as a policy, would represent an unjustified expense.

The engineering and development departments were considerably expanded for the type of work always involved in the placing in service of any new aeroplane. These staffs were established to carry out the DC-3 development program and were retained until similar work was completed on the North Star. This task on the larger aircraft is now completed.

QUESTION AS TO REPORT OF RAILWAYS AND SHIPPING COMMITTEE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): May I ask the Minister of Trade and Commerce, or the chairman of the special committee on railways and shipping owned, operated and controlled by the government, whether the final report of that committee will be presented soon so that the matter just referred to by the hon. member for Winnipeg North (Mr. Stewart) may be discussed in the house?

Mr. Hughes Cleaver (Halton): The report is being drafted and will be presented in due course. I expect it will be presented within the next week or two.

Mr. Knowles: Too late.

INDIANS

REPORTED REFUSAL OF AGENT TO ALLOW INDIAN TO VISIT SICK DAUGHTER

On the orders of the day:

Mr. William Bryce (Selkirk): I should like to direct a question to the Minister of Citizenship and Immigration. Can the minister tell the house the conditions under which an Indian agent refused to allow an Indian to visit his seriously sick daughter at Hearst?

Hon. W. E. Harris (Minister of Citizenship and Immigration): Mr. Speaker, I suppose that question is prompted by an article which appeared in the press last evening. I called for a report at once, and have received an interim report which indicates that the newspaper article is far from complete. I would prefer to wait until I receive the final report and then give it to my hon. friend.

Inquiries of the Ministry

PACIFIC CONFERENCE

QUESTION AS TO CONSIDERATION OF A PACIFIC PACT

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs, having to do with the departure of the Minister of Fisheries (Mr. Mayhew) to attend the Pacific conference. I know the house will wish him well on his trip to represent Canada at that meeting. Within the last two days the press has stated that the governments of Australia and New Zealand intend to press at that conference for a Pacific pact, and will ask for the support of North America. What stand will the minister take at that conference on behalf of the people of Canada in reference to including Canada in the Pacific pact?

Hon. L. B. Pearson (Secretary of State for External Affairs): The conference to which my hon. friend has referred will open in Sydney on May 15, and, as has been stated, the Minister of Fisheries will represent the government at that conference. It is a meeting of the commonwealth consultative committee recommended by the commonwealth conference held at Colombo last January. This conference will discuss recommendations for economic and technical help through the commonwealth organization to the countries of southeast Asia. It is not expected by the Canadian government that political questions of the kind indicated by my hon. friend will be discussed.

Mr. Diefenbaker: Indicated by the Prime Minister of New Zealand.

Mr. Pearson: The matter may be brought up by some member of the conference, and if so, the Canadian delegate will report that fact back to his government. As we did not expect that this subject would be a matter of discussion, no decision has been taken by the government as to what the Canadian delegate would do if it is brought up.

SUPPLY

The house resumed from Tuesday, May 2, consideration of the motion of Mr. Fournier (Hull) for committee of supply, and the amendment thereto of Mr. Drew.

COMMUNIST ACTIVITIES IN CANADA

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I do not think that anyone can take part in a debate of this kind without a strong sense not only of the importance but of the great difficulty of the subject. It is so utterly repugnant to us to feel, as we have to feel,

that there are fellow citizens, people who have enjoyed the immunities and amenities of our life, who are prepared as agents of a foreign power to try to destroy the civilization under which they have lived. It is natural, then, that on the one hand we may fall into the danger of impatiently feeling that we must take steps which will be sure to be vigorous enough to meet the situation, and that on the other hand we are haunted by the feeling that at our peril do we do anything which lessens or circumscribes the civil liberties which after all are the very cornerstone of our life.

It is in the face of these difficulties that we have to debate this question. I remember very well an anti-nazi German, who had become a Canadian citizen, coming to me in 1940, just after the war really began, full of alarm as to what might be done by way of sabotage. I remember well the words he used. He said: "You must regard nothing as fantastic". In other words he meant that the kind of thing which would be done might easily outrun anything we might imagine as possible. I think we owe a great debt to the police and others that his fears were not realized; but as we consider the present peril I think we are driven to the belief that in Russia we have a potential enemy even harder to grasp in our imagination, and that therefore we must deal with these things seriously and try not merely to jog along with the pleasant feeling that after all there are not very many people who will do these things. Surely we have learned in the last few years what can be done by a few determined men under direction.

Many hon. members have no doubt read a book which appeared some years ago entitled "It Can't Happen Here". It was an allegory describing fascism coming to the United States. I think everyone who read it had the feeling not that it could not happen here, but that it could happen anywhere if there was a let-down in the vigilance which we have to show.

I come now to the amendment moved yesterday by the leader of the opposition (Mr. Drew). I wish to recall to your mind, Mr. Speaker, for a moment the circumstances under which he introduced it. He recalled a letter written a year ago by him to the Prime Minister (Mr. St. Laurent). He recalled the statement of the Prime Minister at that time, that the subject was under consideration by the Department of Justice, and that in due course we would be informed as to the result of the discussion. He recalled further that more than a year has passed and as yet no indication has been given by the government concerning the course it proposes to follow.

I might also point out that later in the debate reference was made to a statement made in the summer of 1949 by the Secretary of State for External Affairs (Mr. Pearson). In a Canadian Press dispatch, referred to in the debate, there was the following:

> He told the Montreal Rotary Club the domestic threat of communism must be met "by strengthening, if necessary, our Criminal Code against actions which threaten the security of the state."

Therefore when the leader of the opposition raised the question yesterday he was bringing up something which had been under discussion with the government, and which there was every reason to consider was being seriously pondered by the government.

I think the debate has been a useful one. I will not complain too much that the Prime Minister and the Secretary of State for External Affairs rather disregarded the terms of the amendment and set up straw men which they then had great pleasure in knocking down, but which, of course, were not men whom we had set up to be knocked down at all. For instance, the Prime Minister explained that he thought it was wise that labour had gone ahead in dealing with their own communist situation, but of course that is a matter with which we would all agree. The leader of the opposition would agree with that just as much as the leader of the government. We made no suggestion of a purge, and if any suggestion of the kind emanates from government speakers on the other side, that of course is quite irrelevant. It was not a purge we were talking about; it was an amendment of the law.

I should like to point out that the amendment was cast in broad terms, and that it was quite open to the officials of the Department of Justice to take whatever appropriate remedies the situation required. I want to emphasize again what was emphasized yesterday, namely, that what we are talking about is communist activities.

One other thing I should like to point out is that there was a good deal of suggestion that laws were unnecessary, that all we needed to do was to trust to our own good sense. Nevertheless the Prime Minister, as reported at page 2088 of *Hansard,* speaking of the spy trial said:

> I endured many a slap on the wrist in this house for the methods that were adopted to handle the situation.

I suggest to the Prime Minister that one of the reasons why there were slaps on the wrist at that time was that things were done which some people in the house at any rate thought were not consistent with parliamentary practice or with the gradually developed processes of constitutional government. Some members thought we had to go back prior to

Runnymede to find a precedent for it. I am not overlooking the fact that it was mostly a question of procedure and perhaps not purely a question of law, but I suggest most earnestly that the Prime Minister's own words indicate this is not an open-and-shut matter, that it is one which should be considered carefully by all of us and not in any party fashion.

The Secretary of State for External Affairs also gave us some good advice. He made reference to keeping our heads, and gave us a couple of pages of advice about not indulging in witch-hunts such as they have had in the United States. I think we shall be able to follow the advice he gave us with quite considerable success, because nothing was further from our thoughts than either to lose our heads or to start witch-hunts, such as they have had in the United States. What he said about that was very true, if irrelevant.

He then made a statement which interested me greatly. In answer to a question as to what had been done about this matter at Colombo, he said that the point had been made there that communism was not as great a menace as Soviet imperialism, of which communism is the instrument. I found that interesting, but I also thought it was a little above my head. I had the feeling that that might be the kind of dialectics in which senior diplomats can indulge, but to ordinary people it does not mean very much. Assuming that communism did us grievous injury, I should think it would be very cold comfort if somebody said: Oh, don't worry; it is not communism that is the enemy; it is Soviet imperialism that is doing all this. I do not believe that would comfort us very much. Indeed I am inclined to think that the ordinary man would say it was the difference between tweedledum and tweedledee.

It remained for one or two of our C.C.F. friends, notably the hon. member for Vancouver East (Mr. MacInnis), to get on to the old question of freedom of speech. He took from his quiver that well-worn arrow and dispatched it again. I am sorry he is not here, because I really would remonstrate with him, that a man whose name begins with "Mac", a man who was brought up on the shorter catechism, should deal in such irrelevancies. I hope the hon. member for Rosetown-Biggar (Mr. Coldwell), the leader of the C.C.F., will tell him that I venture to suggest his reference to freedom of speech was no more relevant than if he had told us he was against bigamy. It had nothing to do with this debate. We are just as much in favour of freedom of speech as he or anyone else.

Now I come to the hon. member for Winnipeg North (Mr. Stewart). In a way I liked very much what he said, except that it seemed to me it was a little unrealistic. He said we ought to rely on our spiritual strength and not fear communism, if I understood him correctly. I will agree with him that all the laws we can make will not be of any value unless we have spiritual strength on which to rely. I propose to try to say a word about that myself. But I also suggest to the hon. member for Winnipeg North that we rely a good deal on the good sense of our people not to indulge too widely in the practice of murder; nevertheless we have laws about it, and we take considerable pains to see that people are not encouraged in that direction. I suggest to the hon. member that he went a good deal too far when he suggested that we need not be concerned about laws but should rely merely on our own strong moral character.

Let us look for a moment now at the resolution. I have stressed already that it deals with activities. We are not indulging in any process of psychoanalysis. We are not going to try to analyse people and see if they have dangerous thoughts. We are not going to make thought a crime. What we are trying to do is to make certain that activities, overt acts, are sufficiently guarded against by our legislation. Going back to what I said a moment or two ago about labour, I would say the purpose of this legislation, if it is strengthened, would be to make it easier for labour to deal with its own situation, not to step in or try to interfere, but to create a climate which would be more favourable to labour looking after its own problems.

I come back for a moment to the C.C.F. and the use of the word "similar". Apparently that was a most alarming proposition to them. I hope they were reassured last night when the leader of the opposition reminded them that to some extent at least this was taken from an amendment they themselves had moved, and that in fact by the word "similar" was meant "fascist." I take it that, with the word "fascist" interpolated, the great alarm which was apparent would to some extent disappear; at any rate I would hope so. In passing, just as a matter of interest concerning our own party, I would remind the house that this resolution comes within the four corners of one we passed at our convention a year ago last autumn. If there are any who wish to see the light, I have copies of those resolutions here, and can give them to any who would like to read them.

Now, Mr. Speaker, for a moment I should like to turn away from the domestic aspect of this problem and ask that we consider the problem very earnestly in its broader aspect,

because no one who is even semi *compos mentis* doubts that today we live in a very dangerous world. Years ago I was a practising member of the civil liberties association in Toronto. That is regarded by some of my hon. friends, I must admit, as a very strange organization; nevertheless I think it did no harm and considerable good. But we had some very strange members. Whenever an organization of that kind, good, bad or indifferent, is set up, the communists crowd in. I remember that I had a friend, quite a respectable businessman, come to me and say, "Don't you know there are communists in that organization?" I said, "Yes, I do know; they keep us there until twelve o'clock every night." One of the things about the communists is that apparently they have an unlimited amount of time to spend at meetings. My friend replied, "What are you going to do about it?" I said, "The only thing we can do is get you and a lot of other sensible people to come in and vote them down," but he thought that was a silly idea and never did come.

Sometimes we had a great deal of trouble with those people. At that time I became aware of something that has perplexed and puzzled me ever since; that is, that there are people whom you could hardly deny are agreeable people in almost every aspect of their lives—intelligent people, humane people, socially minded people—who still go after this crazy thing. I was rather naïve about it for a long time, I am afraid. I could not understand how men with civilized minds and sympathetic hearts could ever be attracted to a brutal dictatorship. At one time I was inclined to think they were just abnormal, and we did not need to pay any attention to them. Now, however, I do not think that is good enough. As a matter of fact we cannot wash out intellectuals like that, because when we take for the long pull, twenty, thirty or forty years, we may as well recognize that the people we sometimes criticize and are impatient with, people who can speak and write and at any rate appear to think, do exercise great powers of leadership.

At one time I had thought rather naively that if you could just meet those people and have a frank discussion with them, they would admit it was all crazy. Of course I was wrong; and, as I say, I went on being perplexed. But my trouble was to some extent resolved by a book that appeared recently, which I commend to all hon. members, called "The God that Failed." It is a recantation by six people, I think high-minded individuals, who went off after this creed but found that they were pursuing false ideals, and were courageous enough—and it takes some courage—to come out and expose the thing and give their reasons against it. I should like to read one or two brief extracts from the book; in fact I would prescribe a few pages of this book per day to anyone who is now thinking of following this belief. As a matter of fact, while it would be against my principles, I would be willing to become a dictator for the moment in order to force them to read this book. Perhaps I might have the support of the leader of the C.C.F. party for that purpose.

Mr. Coldwell: I have read the book.

Mr. Knight: Would the hon. member tell us the name of the author?

Mr. Macdonnell (Greenwood): There are six authors. The preface is written by a man who is pretty far to the left, of whom some hon. members may be critical. I am referring to Richard Crossman, member of the British House of Commons. If anyone wishes to know the names of the six authors, perhaps I could give them later. They are well known, and include one Frenchman, one German, two Americans, and one Italian, perhaps the most interesting of all, whom I shall quote later on. I want to read one or two brief extracts, and I suggest that the considerations brought forward here are vital, and that we disregard them at our peril.

An hon. Member: What is the name of the book?

Mr. Macdonnell (Greenwood): "The God that Failed," and the name on the back is Crossman, who wrote the introduction. On page 6 of the introduction this question is asked:

> How could these intellectuals accept the dogmatism of Stalinism? The answer is to be found scattered through the pages which follow. For the intellectual, material comforts are relatively unimportant; what he cares about is spiritual freedom.

Let us not forget that sometimes, not always, this is true. Then the writer goes on to speak of—

> —the communist novice . . . wearied and worried by the privilege of freedom—getting relief by subjecting himself to the canon law of the Kremlin.

Mr. Coldwell: Is that Crossman speaking?

Mr. Macdonnell (Greenwood): Yes; he says the communist novice finds a release from this worry by subjecting his soul to the canon law of the Kremlin. It sounds crazy; yet here are capable men, some of them very distinguished, who did it. Then there is this brief further quotation:

> But it is clear that, as soon as the intellectual convert began to know more about conditions in Russia, his mood changed.

I shall have a little more to say about that later.

Mr. Stick: Send that book to Dr. Endicott.

Mr. Macdonnell (Greenwood): He may have seen it; and he may be incorrigible. I want to read a sentence or two further, because I think they illustrate the great mental gulf that exists between ourselves and these people. Here is an extract from that part of the book written by an Italian named Silone, who was in Moscow a great deal between 1921 and 1927:

> What struck me most about the Russian communists, even in such really exceptional personalities as Lenin and Trotsky, was their utter incapacity to be fair in discussing opinions that conflicted with their own. The adversary, simply for daring to contradict, at once became a traitor, an opportunist, a hireling. An adversary in good faith is inconceivable to the Russian communists.

A little later he speaks of a conversation he had with a communist woman, who said to him:

> If you happen to read in the papers that Lenin has had me arrested for stealing the silver spoons in the Kremlin, that simply means that I am not entirely in agreement with him about some little problem of agricultural or industrial policy.

Later he speaks of other things along the same line. I have outlined these things to you and brought these points before you briefly because I believe they are things that serious people should be thinking about. After all, we all face the fact that at the present time the western world is competing with the communist world, you may say, for the minds and hearts of hundreds and hundreds of millions of other people.

It is customary to say—and of course there is a great deal of truth in saying it—that what we must do is to make it clear that our economic organization is better. I do not belittle the importance of that suggestion at all. But that is not the whole story. The economic condition in Czechoslovakia could have been improved until it was an earthly paradise and it would not have affected what happened there two years ago. That happened not because the men engaged in it were in want. As a matter of fact, most of the leaders in this movement are not in want. It is not people who are in want who head up these things. It is people with dominating personalities, with this strange aberration which I have brought to your attention. I say, therefore, it seems to me that we are just on the fringe of the problem if we content ourselves with saying that all we have to do is to make it appear that we are more prosperous in the democracies than others are under the communists. We all believe that we are immensely more prosperous than the people are in Russia today. I do not think anyone doubts that. But that has not been sufficient to affect the situation. We say, of course, that it is partly because they do not know; but it is much more than that. In the end we have to admit that,—I was going to say it is moral values, but it is a bit hard to use the word "moral" about a system that we detest and abominate so greatly, and so I change the wording a little and say it is non-material values which are going to control this situation in the end. After all, what have you in Russia today? You have a small number—I suppose there are less than five million people in the communist party, as they call it—who, by their cohesion, fanaticism and something which approaches faith, are dominating well on to two hundred million other people. That is what we have. We cannot bring ourselves to call it a faith but we must at any rate concede that it is a tremendous motive power. As I said a moment ago, we are competing with this, and the competition raises all kinds of questions.

Some hon. members will have seen it reported a couple of days ago—I think it was in the press yesterday—that Lord Boyd Orr at some meeting put forth the view that the world might as well face the fact that it had, as it were, to match deficiencies with surpluses or we would be in grave peril. As a matter of fact, we have been doing that for years with regard to western Europe and far east in Europe. Lord Boyd Orr raised the whole question as to whether our imagination has got to range much more widely. Without undertaking an expression of opinion on that matter I suggest that it is not a matter which any of us can disregard.

I have tried to bring to your attention, Mr. Speaker, this strange intellectual aberration which took these people into the communist fold—and then happily their better natures reasserted themselves and they came back. But we know that there are a great many people who have not come back. I suggest that we are "put on the spot" in no uncertain way to consider our own position. A striking speech was made about a year ago by a man who is well known to most hon. members. I refer to Bruce Hutchison. He made it in Winnipeg, and he says some things with which we may not agree; nevertheless they are said by a serious man to serious people. He was speaking to the St. Andrew's society, and I think you will agree that is serious enough. He says some things that I think we should not brush aside. He said:

> Now, clearly the idea of democracy is at war with the idea of dictatorship. Freedom is at war with slavery. Certainly, but what do we mean by

democracy? What do we mean by freedom? And why do we fight for them? It's time we got down to examining our own motives . . .

The basic, the terrible and perhaps the fatal thing that has happened to our civilization can now be grasped and understood. . . It is that our western civilization is losing, if it has not already lost, its faith in its beginnings.

We are not going to admit that, but here is a serious man saying it; and it cannot be lightly regarded. I go on to read again. He gives what I think is a perfectly wise definition of the difference between our civilization and the Russian one. He refers to—

. . . the original assumption, common to Christianity and other religions, that the universe is managed by a system of invisible order, and that every man is protected by certain natural laws beyond the reach of human legislatures.

Then later on he says that the Russians reject this wholly, and he goes on to make what I think again is a searching statement:

Since there is no universal power,—

This is the Russian view.

—nothing is left but the power which some men can exert over others.

There I think you have it stated clearly. That is their faith: power, naked power and nothing else. Then he goes on to say:

It is this cardinal lie, this father of all lies, which spawns the Russian system and the Hitler system and every system of tyranny. It is this lie we are now accepting in the western world under the name of science or progress, or political panacea, or economic enlightenment or ultimate truth, or anything else you care to call it.

Then finally he says:

If this goes on we shall be trying to oppose the resurgence of a powerful pagan idea, which has destroyed many civilizations in the past, without any contrary idea of our own in a struggle which ideas, and not other weapons, will finally settle.

Some may feel that these are strange arguments to be using in a secular assembly on the matter of communism; but I make no apology for doing it because it seems to me that these are matters in which we have all got to interest ourselves, not merely the churches and not merely the educational institutions, although the responsibility is primarily theirs, and although I suppose we must look to them chiefly for leadership. But we must not forget our own part because there is the final challenge that we have all got to face.

I have been talking about matters which go far beyond any amendment or indeed far beyond any law. Yet the law cannot be disregarded because it enters into all areas and all departments of human conflict. It is for that reason that I shall support this amendment which, as I have said more than once, is not suggesting any witch-hunting or any psychoanalysis. It is merely suggesting that the department shall use its best endeavours to see whether the law can be still further improved to the end that, as to the efforts of all agencies—labour, business and every other agency—that are seeking to deal with this matter which threatens the very vitals of our existence, these efforts may be further assisted.

[Mr. Macdonnell (Greenwood).]

Mr. M. J. Coldwell (Rosetown-Biggar): Unfortunately, Mr. Speaker, I was not here during the whole of the address of the leader of the opposition (Mr. Drew) yesterday; I entered the house just before he moved the amendment under discussion. I have listened with a great deal of interest this afternoon to the hon. member for Greenwood (Mr. Macdonnell) for whom I have a great respect, particularly because I have known in days gone by how forthrightly he has stood for civil liberty. I quite sympathize with him when he says that he belonged to a civil liberties association some few years ago into which the communist or Labour-Progressive party infiltrated, and described how these people remained until the dying moments of a meeting in order to get their kind of resolution through after the more democratic people had got tired and had gone home to bed, which is the usual practice of communists and others of like mind. He criticized the C.C.F. because, he says, on the address on February 20 we amended the amendment to a motion that was then before the house by adding words to it. Let me point out that the amendment when amended dealt with "harmful activities of communists and fascists in Canada". It was not the same, nor had it the same intent, as the amendment moved yesterday by the leader of the opposition (Mr. Drew). If we examine the language of yesterday we find that it reads as follows:

Legislation should be introduced so that communist and similar activities in Canada may be made an offence punishable under the Criminal Code.

These activities were interpreted this afternoon by the hon. member for Greenwood (Mr. Macdonnell) as overt acts, if I may use the term that he himself used. Let me point out to him that in all democratic countries, at least within the British commonwealth of nations, there is on the statute books today legislation adequate, I am sure the Minister of Justice would say, to deal with overt acts of sedition or conspiracy to commit overt acts. Consequently, as far as that goes, the two amendments were different in their conception. Perhaps I might go further and say that, in my opinion, the policy of the government under discussion at that time involved also failure to do certain things, we will say, for the unemployed, to improve our social security legislation and so on. But I am not going into that phase of it this afternoon.

I rose to say that I view with a considerable amount of misgiving the obvious intent of an amendment of this description placed before the House of Commons. Throughout the ages our forefathers have fought for certain civil rights, and I believe that the freer people are to express opinions, the freer to organize, even when we think the organization may be against the public interest, so long as there is no conspiracy to commit overt acts, and overt acts are not committed, the better it will be. Throughout the ages we have found the way of dealing with movements such as we are now discussing. Go back into our history, and we find that the foundations of the freedoms that we now possess were established in Magna Carta as long ago as 1215, guaranteeing to every man a fair trial by his peers. Then we have habeas corpus whereby no man may be arrested and incarcerated without charge and trial. Yesterday when the Prime Minister (Mr. St. Laurent) was speaking, he referred to criticisms of himself as minister of justice several years ago. The criticism that was made of the government and of the minister of justice at that time was that people had been picked up without charge and without trial, and incarcerated, and that no opportunity was given for their production in court to be properly charged under the law. I think that was the criticism that was made of the government at that time. On occasion we contrast that with what happened in the United Kingdom, where, for example, Dr. Allan Nunn May was picked up, taken into Old Bailey, charged, speedily tried and sentenced to a long term of imprisonment. That is the method which is time-honoured under our democratic procedure.

I do not like to see any suggestion introduced into this chamber which would seem to indicate that we are going to do something beyond what we have done so successfully to curb subversive activities in the past.

About a week ago I was asked by telegram to express an opinion on this very matter. Not knowing it was going to be introduced into this house, I replied by telegram in these words:

> Speaking as the leader of a democratic socialist party actively opposing communism, I believe outlawing of communist party political error of the first magnitude. All of our countries have seditious conspiracy acts under which subversive activities can be dealt with according to law. To drive the party underground encourages secret conspiracy, arouses ill-placed sympathy, jeopardizes legitimate political discussion and undermines faith in our democratic institutions.

That, Mr. Speaker, is the position that I want to emphasize before this house this afternoon. There is of course always a danger from people who do not believe in constitutional methods. That danger comes not only from the communist party, but from other parties right on the other side that today we lump under the heading of fascists. When we speak of safeguarding our Christian civilization let us bear in mind that the churches have recognized—and when I say "the churches" I mean all the churches—that communism as we know it today arises very largely out of the misery and want of depressed peoples.

A few moments ago the hon. member for Greenwood pointed out that often the leaders of those movements were not those who suffered poverty, misery and want. To some extent that is true; but the following which they gain is among the mass of the people who suffer from evil conditions; and we have to beware lest we confuse agitation against evil conditions with communist activities. Not so long ago practically everyone who criticized the evils of the present system of society was classified as communist, and sometimes was persecuted as such.

I have on my desk the report and encyclical of the archbishops and the bishops of the church of which I happen to be a member. In 1948, at Lambeth, 329 archbishops and bishops of the Anglican communion in all lands met to consider what they termed the nature of man and man's obligations to society. They have one or two things to say in that report that I think are pertinent to a discussion of this kind. They say this:

> Communism cannot be overcome by argument alone. It has to be outlived, not merely out-fought. Under the providence of God its truths will pass into the experience of humanity; its untruths and half-truths will be self-destructive. It is for the church to be faithful to the word of God and for Christians to live, and, if need be, die for the truth of God as He allows them to see it. But let us be sure that its martyrs die for the Kingdom of Christ and not for some lesser loyalty. By making common cause with anti-communist forces, the church might have some success but such a short-term policy would prove in the end to be disastrous to the church, both in the east and in the west.

And then this to the members of their communion:

> (Churchmen) must do full justice to the truth in communism, both its critical insights into history and its desire to help the oppressed.
>
> The church ought not to allow itself to be identified with social reaction. Its members should be ready for social and economic change and quick to welcome into the councils of the church men and women with the workers' experience of living conditions.

What is true of a church is true of this assembly. If I understand the basis of this institution, it is an institution in which ideas of various sorts may be expressed and advanced, sifted, accepted or rejected. It seems to me if we are going to agree that in this institution that is the democratic

procedure, then by the same token we have to admit that this is the proper procedure in society.

What I am afraid of in regard to a resolution of this description is that legislation flowing from it may be used either now or in the future to prevent free discussion, free consideration, and activities that should be of a proper nature. Let us remember that in the long struggle for freedom of action and freedom of speech ideas have arisen from time to time which have not been acceptable to a majority of the people where they have arisen. That was true to a large extent of religious ideas a few short centuries ago. I recollect that in 1671 a man who became famous in the story of the great republic to the south, William Penn, and his colleague William Mead, became Quakers. They were execrated by the country in which they lived. They tried to propagate their ideas. They were arrested for preaching openly, on the street, to some three or four hundred people in the city of London. The magistrate who tried them instructed the jury to convict for causing a riot, although no riot had taken place. The jury—that safeguard, in my opinion, of the rights of the common people—refused to accept the instructions of the magistrate. Though the jury were confined by the magistrate, habeas corpus proceedings were instituted and they were released. The jury's verdict of acquittal then had to be accepted.

It is through age-old methods, old and historic customs which have grown up in our society, that we can protect it against subversive activities. We have the laws on our statute books today—and I have no doubt the Minister of Justice (Mr. Garson) can, and perhaps will, point them out to us in this debate. We have adequate laws dealing with sedition, seditious conspiracy and the committing of overt acts. But I believe we endanger the effectiveness of our laws when we drive underground the activities of subversive elements, whether they be communist or fascist.

I venture to say we would have heard very little of one or two of the leading men in the present Labour-Progressive party in this country had they not been arrested during a time of grave unemployment and difficulty in the thirties, and sentenced to terms of imprisonment. We created for the communist party—or the Labour-Progressive party, if you care to call it that now, for it is the same thing—certain martyrs. That martyrdom was held up across the country in order to attract attention and to bring persons of ill-founded sympathy into their movement to support their cause. Consequently I say the house would be well advised to vote the amendment down.

Let me repeat that we have on the statute books in my opinion all that we require in order to meet this menace of Soviet communism in Canada. Let me also point out that Canada's representative approved the universal declaration of human rights of the United Nations. Looking at the preamble of this document, in the second paragraph I find this:

> Whereas disregard and contempt for human rights have resulted in barbarous acts which have outraged the conscience of mankind, and—

And then these words:

> —the advent of a world in which human beings shall enjoy freedom of speech and belief and freedom from fear and want has been proclaimed as the highest aspiration of the common people.

Then if I look at the actual articles we have approved I find that article 19 of this declaration says:

> Everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinions without interference and to seek, receive and impart information and ideas through any media and regardless of frontiers.

Yesterday we heard the suggestion that there should be some limitation of certain parts of the press of this country. Let me repeat my belief that our democratic institutions and our democratic ways are sufficiently strong that we do not need to fear a handful of people who are circulating literature against our institutions, and who are engaged in propaganda against this institution of parliament and against those institutions which guarantee to us the freedoms we now enjoy, provided, of course, they do not propose their violent overthrow.

Then, article 20 states:

> Everyone has the right to freedom of peaceful assembly and association.

Assembly or association to discuss, to criticize, to plan, to forward and to promote our ideas within the law. Then, article 22:

> Everyone as a member of society has the right to social security and is entitled to realization, through national effort and international co-operation and in accordance with the organization and resources of each state, of the economic, social and cultural rights indispensable for his dignity and the free development of his personality.

And article 23(1):

> Everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment.

If we fulfil the articles of this declaration of human rights, then that, in my opinion, and not by legislating against activities of the

type discussed in the house in the last day or two, is the manner in which to meet the threat of communism. And so I say that in the light of the long experience that we in these democracies and these institutions have had, with the legislation now on our statute books sufficient to deal with overt acts, we would be ill-advised indeed to pass new legislation comparable with that we had on the statute books under the heading of section 98.

I do not wish to prolong this discussion, but I did rise to say that if we are going to protect civil liberties and if we are going to place before the people of other countries Canada as a free nation, then let us not adopt any of the methods of countries behind the iron curtain. The more we suppress, the more ammunition we give them to fight us and perhaps if we give them enough ammunition, ultimately to destroy us.

The issue was raised, I think by the hon. member for Vancouver South (Mr. Laing), about the issuance of a passport to Mr. Tim Buck. The passport was not issued to him in order that he might go on his recent journey to visit Soviet satellite countries. I felt that that was a question that it was better not to have raised in this house. After all we do not want to be in the position of the countries behind the iron curtain where people are not allowed to move freely because of their political opinions. The farther we get away from that kind of thing the stronger we are in our ability to fight communism in all its forms.

Goodness knows, I have no love for the Labour-Progressive party or the communist party or any of their activities. Indeed, sometimes they describe me in their speeches as enemy No. 1. The very book quoted this afternoon by the hon. member for Greenwood (Mr. Macdonnell) containing six essays by six former outstanding members of the communist party has a preface written by one of the leading democratic socialists of Great Britain, Mr. Richard Crossman, M.P. The words of that preface which the hon. gentleman read are words with which we can agree absolutely.

I was not here yesterday but my colleagues from Vancouver East and Winnipeg North said exactly what I would have said had I been here and what I have in mind today, that if we want to protect this country against subversive ideas then let us remove the conditions in which they may flourish and go forward confident in our free institutions and in our traditions of democracy. Then I am confident we can meet any threat from any quarter which Stalin may control.

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, in opening the statement which I think should be made today by the head of the Department of Justice may I first of all congratulate the leader of the opposition (Mr. Drew) on having introduced for discussion a matter the importance of which I think every one will agree is quite beyond exaggeration. There may be those who will think that he placed too much stress upon the dangers with which politically free countries of the world are faced in the present world situation, but I am certainly not one of those who think so.

One has only to consider a few of the main circumstances of the situation to realize that today political freedom is in mortal danger of extinction. One has only to realize that the greatest land mass in the world with uncounted resources and millions of virile if untrained people, people who do not chafe under the lack of freedom because most of them have never enjoyed it, have been brought, if not under the direct control, certainly under effective indirect control of the masters of the Kremlin.

We have only to consider that the mounting of any kind of revolution against such a group of determined men is a vastly different thing from what it has ever been at any previous historic time. In the days of the Roman emperors any group of resolute and determined men who could possess themselves of a few relatively primitive weapons of that day could mount and sustain a revolution for considerable periods of time. The history of the later days of the Roman empire is filled with reports of efforts by the emperors to put down revolutions in various parts of the empire.

But now that war has become the end of a complicated series of assembly lines which stretch back, not only into the forests and the fields and the workshops and the mines but into the research laboratories where hundreds of scientists are working, with perhaps only a few knowing what the whole scope of their inquiry is about, it is apparent that once a group of men as determined and able and ruthless as the masters of the Kremlin have got into the controlling situation in which they are in Russia at the present time, it is almost impossible for anything except a palace revolution to upset their might.

That is the world in which the free countries live at the present time. We are living in the face of a proclaimed philosophy which has for its purpose the destruction of our system of government and our way of life and which states that it is impossible in this one small world for both our system and

the communist system to survive. It may have been that a quarter of a century ago we would have been disinclined to pay too much attention to these warnings, but after having been through a great war which was caused in no small part by the fact that we failed to heed similar warnings by Adolf Hitler, I think few thoughtful people today will want to regard our present predicament as other than exceedingly serious.

Without wishing to traverse ground which has been covered at great length by preceding speakers who have dealt with what might be called the political philosophy aspect of this matter, I think it is rather important to state that free countries are abandoning one of their most powerful weapons, if not the most powerful in their whole arsenal, when they in any way abridge political freedom. Unlike the preceding speaker, I am not one who thinks that the resolution now before us would go very far in that direction. After the long and interesting and vigorous speech with which the leader of the opposition introduced this debate and in which he reviewed, although quite cursorily, what had been done in the way of legislation in Australia, South Africa and other countries; after he appeared to be making the strongest possible case for the introduction of repressive legislation in this chamber, I was very much surprised to find that the text of the amendment which he introduced rather dimmed the impression of what I thought was going to be delineated as repressive legislation; and any idea that repressive legislation might have been in mind was totally dispelled by the lucid presentation of the hon. member for Eglinton (Mr. Fleming) when he rose to speak.

I think we will all agree that the hon. member for Eglinton is a good lieutenant to his leader. No leader could wish for better in my opinion, but the hon. member for Eglinton suffers from what, in relation to his leader, is a terrible handicap. He has a clear mind.

When he applies his clear mind in this case to the rather vague language limned in his leader's oratory of course he cannot help but let the cat out of the bag, and what a tiny kitten it proved to be. For the hon. member made it, to use a phrase he is fond of using himself, crystal clear that his party does not propose as in Australia to declare the communist party outlawed or to dissolve it or to appoint a receiver for its property with any surplus over liabilities going to the government. They do not propose as in Australia to permit the governor general to outlaw organizations, other than trade unions, which are dominated by the communist party; nor to provide imprisonment for officers and members of unlawful associations who do not cease their activities; nor to empower the governor general to publish the names of any members of the communist party or its organizations after May 10 whose activities he, the governor general, deems prejudicial to the government; nor that any person declared to be prejudicial will be barred from employment in the government or government authority. Nor does the Conservative party propose, as in Australia, that such a person may be banned from holding a job in any of the key industries of the country. These provisions that I have named are merely omissions from the speech of the hon. member for Eglinton, but let me list some of the express disclaimers taken from his speech at page 2106 of *Hansard*. He said:

> What this amendment proposes to illegalize is overt acts.

In another place on the same page he said:

> The acts at which this amendment is directed are acts which, as I have said . . . strike at the roots of our freedom:

Further down on the same page he said:

> There is no suggestion here of . . . purges of libraries . . . There is no suggestion here of destroying . . . books . . .

At page 2107 of *Hansard* he said:

> The people will want to know what are the essentials of that foul doctrine of communism.

He said that making communism an offence under the Criminal Code was not what was proposed by the leader of the Conservative party (Mr. Drew). Further down on the same page he said:

> There is nothing here that calls for a discussion of the padlock law.

On page 2108 he proceeds to spell it out even further. He said:

> If you simply passed legislation to declare the Labour-Progressive party to be an illegal organization, that would not get at the root of the problem.

I suggest, Mr. Speaker, with all these statements of what the amendment does not mean it is quite clear that the sort of concept of legislation indicated in the amendment is certainly not very repressive. I do not think the leader of the C.C.F. party (Mr. Coldwell) has much to fear in that regard. I shall show—and on this point I entirely agree with him—that the amendment if drafted could not be an amendment to the law as it stands at the present time because everything that the amendment is designed to cover is in the law now.

Mr. Diefenbaker: Will the minister allow one question before he goes on?

Mr. Garson: Certainly.

Mr. Diefenbaker: He was dealing with Australia, and I followed him with great interest. Are there any other clauses or terms in this legislation to which he has not referred? I merely ask for the purpose of information. I was quite interested in what the minister was saying.

Mr. Garson: I should not like to say definitely whether or not there are. The source of my information was what I thought was the best source available at the present time, the New York *Times*. I have listed the main headings.

Mr. Diefenbaker: I saw that. I thought possibly he had the bill.

Mr. Garson: I suggest if we were to pass this resolution and if we were going to give it any effect, as we would have to do, that if we called in the most skilful draftsman we could obtain and he started to put the ideas in this resolution into an amendment to the code, and if he left out all that the hon. member for Eglinton has said is not meant by it, he would discover that there is not a single thing which is said to be meant by the amendment which is not prohibited at the present time by the Official Secrets Act or in the sections of the Criminal Code dealing with unlawful assembly, treason, sedition or seditious conspiracy.

I do not want to detain the house too long, and the time available to me this afternoon makes it impossible for me to deal in any great detail with all of these sections. Let me look for a moment at the crime which I think is most closely relevant to this discussion, that of sedition. It is covered at the present time by section 134 of the code, but it is not defined, and for very good reasons which were referred to by the Right Hon. Ernest Lapointe. They will be found at page 3900 of volume IV of *Hansard* for 1936. This is what he said on that occasion:

> May I read what constitutes sedition in the English and Empire Digest, 15th volume, at page 633:
>
> "An intention to excite ill-will between different classes of Her Majesty's subjects may be seditious intention; whether or not it is so in any particular case must be decided upon by the jury after taking into consideration all the circumstances of the case. Sedition embraces everything, whether by word, deed, or writing, which is calculated to disturb the tranquility of the state, and lead ignorant persons to subvert the government and laws of the empire."

Later on the same page he refers to Halsbury's Laws of England, second edition, volume IX, and quotes the following:

> Sedition is a misdemeanour at common law consisting of acts done, works spoken and published, or writings capable of being a libel published, in each case with a seditious intention.
>
> Where the words are oral the offence is called the speaking of seditious words; where the words are written the offence is called the publication of seditious libel; where two or more combine for the furtherance of a seditious intention the offence is called seditious conspiracy.

Then it goes on to prescribe the penalty. This is a pretty all-embracing sort of crime, and as I shall indicate later by quoting from a source which I hope my hon. friends opposite will regard as accurate, Mr. Meighen, there is a very excellent reason why it has not been defined in the law.

I would point out the fact that in connection with sedition, as with all other crimes, the problem of enforcement arises, the problem of apprehending the transgressor, of prosecuting him, and in proper cases of convicting him.

In that connection there is an old saying which I do not think has ever been improved upon as a statement of the position. It is very sententious and covers the whole point, and is to the effect that the devil himself knoweth not the mind of man. So even if we were to pass a law, which would be contrary to our political principles, making the mere holding of seditious thoughts an offence under the code, we still would have no way of knowing what were the thoughts of any man, or of proving what they were in a court of law, until we could adduce what he had either said, written or done, to indicate what was in his mind. In other words that overt act would be on the one hand evidence of what he had in his mind and also, under our law, the basis of the charge of sedition against him.

I suggest, Mr. Speaker, that a careful examination of the sections of the Criminal Code dealing with unlawful assembly, treason and sedition will indicate, particularly in the case of sedition, that the law today is sufficiently extensive to support convictions in all those cases where overt acts can be proved, which I think was the point made by the leader of the C.C.F. party. And I suggest that in those cases in which overt acts cannot be proved, the mere creation of a new offence of communist activity, or similar activities, would not overcome the need of evidence to establish those overt acts, for without an overt act we have no evidence of wrong ideas or of communist activity or similar activities. That is a practical reason, I think, why in the other place, when the question of the repeal of section 98 was being considered, Senator Meighen said that even section 98 did not punish anyone for his ideas. Speaking of a memorandum which had been read to the members of the other place by the government leader there, from the then minister of justice, Senator Meighen put it in this rather pungent language:

> The memorandum quotes an opinion of Macaulay's that it is only when the individual, having

harboured wrong ideas, gives effect to them to the detriment of the state that he ought to be punished. Who within the four walls of parliament or anything other than a lunatic asylum would ever entertain a contrary opinion?

That is to say, in line with what was said a few moments ago by the leader of the C.C.F. party, it is only for overt acts that punishment is inflicted. Then Senator Meighen went on, speaking of section 98:

This section never did, does not now, and never could punish anybody for harbouring an opinion, however foolish, lunatic or dangerous.

I believe I have heard or read somewhere, though at the moment I must confess I cannot recall when or where—and I hope my hon. friend the leader of the opposition, who is not in his seat, will correct me if I am wrong—that on occasion he has advocated the reintroduction of section 98 into the Criminal Code. Certainly during the present debate the hon. member for Eglinton (Mr. Fleming) had this to say, at page 2108 of *Hansard*:

It is worth remembering that in the past communists in this country have been placed upon trial for offences of the kind I have been describing here tonight. It was not when the law was in its present form.

Here I interject that as far as the law of sedition is concerned, the only recent time it was not in its present form was when section 98 was in the Criminal Code.

It was at an earlier period when there were some teeth in the law.

I suggest that up to this point in his argument the irresistible inference on the part of one who heard the hon. member for Eglinton was that he was in favour of the reinstatement of those teeth in the law; but in the very next sentence he backed away from it:

At the moment I am not advocating any particular and detailed form of legislation.

So we have had some strong words against communism, some references to indicate the great virtues of section 98, but a backing away from taking responsibility for suggesting definitely that it should be reintroduced. The hon. member then went on to explain at great length why in the case of Rex *v.* Tim Buck it was possible to get a conviction; and I leave it to hon. members whether the impression he left was not that this conviction was brought about because of the presence of section 98 in the Criminal Code. It will be recalled that I asked the hon. member what were the charges against the accused in that case. That question was evaded, although quite relevant to this discussion.

The fact of the matter is that in Rex *v.* Buck, the citation for which is 57 Canadian Criminal Cases, page 291, the accused was charged under three counts, two of which were under section 98 and the third a count of seditious conspiracy under the law as it was then and as it still is. The wording of the third count, and I am reading the exact form of the indictment, was that the accused—

—did become and continue to be members of the communist party in Canada, a section of the communist international, and did conspire together to further the objects and aims of the said party and the objects and aims of the said communist party of Canada, a section of the communist international, are of a seditious nature intended to incite His Majesty's subjects to attempt otherwise than by lawful means the alteration of the government of the Dominion of Canada and to incite persons to commit crimes and disturbances of the peace and raise discontent or disaffection among His Majesty's subjects, and promote feelings of ill-will and hostility between different classes of such subjects.

I put it to any reasonable person whether or not an indictment describing activities in those broad terms would not cover communist activities, under the law as it stands at the present time. The result of that case was very significant. The accused were found guilty on all counts. What did that mean? It meant that if there had been no section 98 in the Criminal Code at that time, in the absence of that section a charge of seditious conspiracy could have been laid, and, as the case turned out, a conviction obtained.

As I indicated earlier, I am somewhat fortified in my views as to the relative efficacy of section 98 as compared with the law as it stands at the present time, by the views of a man who I am sure shares the feelings of hon. members of the Conservative party opposite, on the subject of communism. That is Senator Meighen, to whom I referred a moment ago. What did he say about section 98 in the discussions that took place at the time it was being repealed? I quote from his address on that occasion.

Mr. Diefenbaker: What date was that?

Mr. Garson: I can give it to my hon. friend afterwards.

Mr. Diefenbaker: You have not got it there?

Mr. Garson: Yes, I have it here, but I shall have to search for it. It was June 20, 1936.

Mr. Diefenbaker: Thank you.

Mr. Garson: He says:

Nothing forbidden under section 98 was lawful before section 98 was passed.

It was unlawful before section 98 was passed and unlawful after it was passed.

The section simply made specific and definite a certain line of conduct which always had been sedition; but it was put in the form of words, definitely described so that there would be warning to everybody that such a thing was sedition. In this connection I want to discuss what sedition is.

And this is an exceedingly important statement that he now makes.

In the common law of England sedition has not been defined, nor has fraud, for the very obvious reason that any definition that the wit of man could devise of either one or the other could be circumvented by some act which, while it would be sedition or fraud, would not be so within the definition. But sedition has always been a crime and heavily punished. The courts have decided on the facts just what constituted sedition, and out of those decisions there has grown a body of jurisprudence, which is in effect today in England, and indeed in all civilized countries, though not of course the same in all, that forbids sedition under all circumstances and at all times.

That law is in effect in Canada today.

Now let us look at the use that was made of section 98. Maybe I do my hon. friends an injustice, but it seems to me that the only possible interpretation that could be put upon the language which is used in the resolution is that it favours the reintroduction either of section 98 in its precise form or of some substantially similar provision. Let us see what use was made of it during, if I mistake not, the sixteen years it was in the code. Last year, in order to ascertain to what extent this section was invoked in the enforcement of the law as being one good indication of its value in stopping communism, I had my deputy write to the deputy attorneys general of the provinces to find out how many times it had been used during the whole period of its existence. I received the following report:

Use of Section 98

Prince Edward Island	none
Nova Scotia	none
New Brunswick	none
Manitoba	none
Alberta	none
British Columbia	one

There was the following report from the deputy attorney general of Ontario:

In connection with your telegram of the 7th instant regarding section 98 of the Criminal Code, the only record we have of a prosecution—

He goes on to say that the only record he has of this is the case of Rex *v.* Tim Buck. Then he says:

This department does not keep statistics, and it is of course possible that there have been others, but a search of our files indicates only the one, and I have no recollection of any other prosecutions under that section.

Thus, Mr. Speaker, during the whole period of its existence, at a time when, I suggest, there was at least as much communistic activity and sentiment as there is at the present time—and I think a great deal more—the only single occasion of which there is any record —I should enter a correction there; we have no reply from Quebec, so we do not know whether it was invoked in that province or not—in these other provinces on which section 98 was used was in the case of Rex *v.* Tim Buck, and in this case it would have been possible to have secured a conviction, and a conviction was secured, on the third count of seditious conspiracy. I would therefore be curious to know what sort of provision, in line with the resolution which has been moved by the Conservative party in this chamber, my hon. friend the leader of the opposition and his legal advisers could produce which he would think would accomplish the purpose that he has in mind and which is not already covered by the existing law.

Mr. Diefenbaker: Will the minister allow a question?

Mr. Garson: Yes, surely.

Mr. Diefenbaker: Did he or anyone in his department have the draftsmen of his department, within the last year, draw a draft suggested amendment to provide for changes to be made in the law of sedition in order to cover the present situation with respect to communism?

Mr. Garson: No, I think not, Mr. Speaker. I am just speaking offhand, of course.

Mr. Diefenbaker: The minister would remember that.

Mr. Garson: No, I do not. I am sorry, but I do not remember.

Mr. Diefenbaker: All right.

Mr. Garson: But in any case, it would not necessarily be relevant to the particular aspect of the matter that we are discussing at this time.

Mr. Diefenbaker: I was asking for information. I thought the minister would know what had happened.

Mr. Garson: In any case, Mr. Speaker, if such a section were drafted by my hon. friend I would feel that our proper course in this chamber—which was the course we followed not so long ago upon another occasion—was to refer such an amendment or such a provision to the attorneys general of the provinces by whom, and only by whom, under our constitution, the law is enforced and order maintained. The leader of the opposition seemed to be under a considerable misapprehension in this regard when he was indicating the other day that the Department of Justice was at fault in not having taken some action with regard to the foreign language newspapers in Toronto that, in his view, were guilty of publishing sedition. In making that charge against the Department of Justice, I think that he was taking a position which was rather embarrassing to himself, in that these same papers—I would

not say all of them, but most of them—were engaged in publishing the same sort of matter, I suggest,—and probably he could tell us—during the time he was premier of Ontario and during the time his attorney general and his government had the responsibility for enforcing this section of the Criminal Code in that province.

Mr. Drew: On a question of privilege, Mr. Speaker, the Minister of Justice (Mr. Garson) has made a statement with which I should deal immediately. The quotations that I gave were quotations from *Vestnik* of this year. I used them as illustrations of the type of thing that is now being published. I definitely have information that there has been a steady acceleration of this type of production. When I said that this was something peculiarly within the responsibility of the Department of Justice, I would point out that there is a branch of the R.C.M.P., which is under his authority, which deals with this subject; and also that the provincial governments have not the translating facilities available to deal with this matter. But I know he has. I know that he is having translations made within his department—I hope with his knowledge—of these various papers at this time.

Mr. Garson: My hon. friend is quite right in saying that we have the translating facilities. But I should think that a man who has held himself out, for so long as he has done, as an authority upon dominion-provincial matters would by now, after these many years, have come to know, by contacts in the house or in the Ontario legislature, that it is the provincial attorneys general who have the administration of justice and not the Department of Justice which he has been criticizing.

Mr. Drew: Mr. Speaker, these statements must be corrected. It is not the provincial attorneys general. The provinces are responsible for the administration of justice, and the Minister of Justice has it within his authority to act in every single case where he knows of any offence under the Criminal Code.

Mr. Garson: I suggest to my hon. friend with all deference that he is quite wrong; that if and when we act we act on the authority and with the approval previously obtained from the attorney general, as we know to our cost, because on some occasions provincial attorneys general—I am not mentioning any province in particular here—wish us to appoint counsel, whom we pay, to represent them in such a prosecution.

Mr. Drew: Which you initiate.

[Mr. Garson.]

Mr. Garson: If my hon. friend would take the trouble to get the British North America Act and read section 92 he would find that what I am telling him is quite correct.

In his interjection my hon. friend intimated that there has been—I have forgotten the word he used—rather a change for the worse in these publications. I hope it is not because of his departure from Ontario as premier that these papers have changed for the worse.

Mr. Drew: That is a silly statement, a typically silly statement.

Mr. Garson: Well, that was my hon. friend's statement, and I agree that it is silly. I am in entire agreement with that.

Mr. Drew: You are dealing with a serious subject. Deal with it in that way.

Mr. Deputy Speaker: Order.

Mr. Garson: May I say, Mr. Speaker, that the provincial attorneys general themselves who have this responsibility, and who discharge it when they feel there is occasion to do so, have made no representations to our department that the present sections of the Criminal Code and the Official Secrets Act are inadequate to deal with what we have been referring to in this debate here today. And I must confess with all deference that this fact carries considerable weight with me, because it seems to me that these men who have the responsibility are the ones best qualified to express opinions upon this point, and when we receive no general representations from them that amendments are required, we are inclined to feel that the law in its present state is satisfactory. May I say that we are confirmed in that view by the very resolution which we are discussing here today, because, as explained by the hon. member for Eglinton, it indicates no substantial change whatever in the law.

In the course of discussing this matter the hon. member for Eglinton said, as reported at page 2109 of *Hansard*:

> On looking at the present state of the law, I remind hon. members that the state of the law in Canada today is not as it was when those communists were convicted of the offence of inciting the use of force to overthrow the governmental structure of this country.

He was of course referring to the prosecution of Tim Buck and his associates. Then he goes on to say at page 2110:

> In the year 1936 when the parliament amended the Criminal Code it eliminated the offences of which the communists, in the trial to which I have referred, were convicted.

That statement, Mr. Speaker, is in part incorrect. It is true that in that year section 98 was eliminated; but the section providing for seditious conspiracy, under which the

third charge against Tim Buck was laid, and upon which he was found guilty, was not eliminated, and is still in the law today.

I might add this point, that the repeal of section 98 did not in any way embarrass the prosecution of the communists and fellow travellers arising out of the Gouzenko disclosures. Under the law as it then stood, it was possible to convict, and we did convict, a number of those persons. And more than that, I say quite confidently that if section 98 had been in the Criminal Code at the time of those prosecutions arising out of the Gouzenko disclosures it would not have enabled us to secure a single conviction in those cases in which there happened to be an acquittal.

It is for these reasons that, while agreeing entirely with everything that the hon. members of the Conservative party have said with regard to the danger of communism—and I think I can speak for every member in this house when I say that interested as we were, and honoured as we were to hear the eloquent statements of the case which they made, there was not one of us who did not entirely agree with all that was said in that regard because we were of that view before they got up to speak at all—agreeing with all that, I suggest that whatever ideal merits the position which my hon. friends have taken in this matter may have—and I admit that the ideal merits are excellent—what they have completely failed to prove in the course of their arguments yesterday and again today is that the law as we have it now is inadequate; and more particularly they have completely failed to prove that any amendment along the lines of that which they are advocating would serve any purpose which the law as at present constituted might fail to serve.

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

Some hon. Members: Yes.

Mr. Garson: In some cases I confess that what might seem to be actions warranting prosecutions are not prosecuted; but before we criticize the provincial attorney general and his law officers in these cases in the course which they follow, let us remember that there are many exceedingly bitter, and highly intelligent, enemies of communism who are quite as sincerely, and in some cases perhaps soundly, of the view—I think this view was expressed only this afternoon by the hon. member for Rosetown-Biggar (Mr. Coldwell)—that communism underground is less subject to control by the lawful authorities; that communism underground can have more effective contacts with those whom they wish to convert; that communism underground is a much more sinister and dangerous movement than it is aboveground where it is now.

If in the exercise of their sincere judgment any provincial attorney general—I am not saying this to be unfair at all, but for example the attorney general of Ontario, when my hon. friend was premier of that province—sees fit not to prosecute in some such case, one should not immediately jump to the conclusion that this is necessarily an unwise action on his part.

Mr. Drew: Is the minister referring to any specific case?

Mr. Garson: No, not at all.

Mr. Drew: Well, don't leave an impression which is inconsistent with the situation.

Mr. Garson: In any case, Mr. Speaker, I suggest to my hon. friend who has just made the interjection that any representations which he has to make as to whether it is an unwise action or not should be addressed to those whose responsibility it is to take them.

I suggest, Mr. Speaker, that the fundamental question which we have to decide here is this: Do we really believe in a free society? Are we seriously and sincerely convinced that the minds of free men possess convictions that are impervious to totalitarian attack? If our answer to this question is "No," we shall believe in repression by the state, approaching, as time goes on, more and more closely to totalitarian repression itself. But if we think, as we on this side of the house think, that the answer to this question is "yes, free men can and will resist communist ideas," then we shall follow the course which we have followed since 1936 of treating Canadian citizens as a group as free men; of leaving for example to the trade unions the matter of clearing their own ranks of communism in a democratic manner. We shall follow the course taken by the greatest exponent of liberty that the world has ever known, of a great nation in whose traditions I had thought the leader of the opposition (Mr. Drew) was steeped, the beleaguered people of Great Britain who, locked in a death struggle with totalitarian evil, carried on to victory with the weapons of freedom; whose free parliament, sitting almost continuously throughout the course of the conflict, kept repression of individual liberty to an absolute minimum even in the face of death itself.

And it is greatly significant, Mr. Speaker, that of all the countries which have had to contend with this evil of communism, there are none in which the efforts to contain it, judged on a purely practical basis, have been

so successful as in Great Britain and in Canada, countries which, to combat totalitarianism, used not the weapons of totalitarianism itself but the weapons of freedom.

Mr. Drew: May I ask the minister a question?

Mr. Garson: No.

Mr. Drew: Has the minister forgotten the Defence of the Realm Act?

Mr. Garson: But I will say in conclusion to the hon. member, who is so very fond of interrupting other people when they are speaking, that if we should ever have to change our policy in this regard, then I suggest that we should need something with more substance to it than that which is outlined in my hon. friend's resolution now before us.

Mr. Pierre Gauthier (Portneuf): Mr. Speaker, I shall try to be as brief as possible. My stand on this very important question was taken long ago. I remember the first occasion, in 1937, when I spoke about communism in the House of Commons, and when I saw in front of me people smiling with incredulity because I was telling the house that communism was very dangerous and was on our threshold.

I believe it was the hon. member for Greenwood (Mr. Macdonnell) who said this afternoon that he did not understand clearly the statement of the Secretary of State for External Affairs (Mr. Pearson) that what was to be feared most was Russian imperialism. I do not know if we must fear Russian imperialism more than we fear communism. But there is one sure fact and it is this, that Russian imperialism is and for a hundred years has been existing in the minds of the Russian government.

I remember that when speaking in the house in 1946 I read a few excerpts from a book written by Henri Massis of the French Academy the title of which, I believe, was "Russia", in which he stated that Pierre le Grand, Peter the Great, had been the most imperialist of all the Russians. I remember that Henri Massis in his thesis made very clear something which should be made clear to every member in the house, that communist imperialism was not more dangerous than the imperialism sponsored by Peter the Great in that time.

I believe the Secretary of State for External Affairs was speaking truthfully when he said that we must fear Russian imperialism at the same time as we fear communist imperialism. I believe my stand in this matter has been made clear over a number of years in the house. I believe the situation was stated correctly by the hon. member for Fort William (Mr. McIvor) when, in his brief but interesting speech yesterday, he referred to the words uttered by the Prime Minister (Mr. St. Laurent) when speaking at Loyola college the other day: "We need faith by deeds; genuine brotherhood cannot be achieved without faith in God."

These words, sir, should stand as a beacon in a lighthouse to all the population of Canada. I believe we do not face communism in the way it should be faced. I realize I have been radical in the stand I have taken in the past. I thought the only way to stop communism from spreading in our country was to ban it. Now, however, after having studied very carefully the writings of many noted authors, I believe that there are different ways of stopping the spread of communism. The banning of it may be one way of dealing with it; but it is not the only way, and it is a dangerous way.

I remember speaking in the house on April 16, 1948, when, as reported at page 3035 of *Hansard*, I said:

> To hear some members in this debate one might think that a few of them—fortunately only a few—were ready to give equal freedom to evil and good.

I believe I was on very sound ground when I said that I was not prepared, and that the house ought not to be prepared, in its effort to give as great freedom as possible to our population, to give at the same time the same freedom to both evil and good. In giving that freedom we have made one of our mistakes—and this has been done not only in Canada but in the world at large. Then I continued on that occasion:

> In my province we are not ready to give equal freedom to evil and good. It is all right to talk about civil rights and freedom, even for those who are organizing from central Europe in order that they may be ready to break our back when they judge the proper time has come. In this country it is useless to name those who are getting ready to break our back and to do it more rapidly than the house seems to think.

Then I continued:

> That is why I would favour the passing of such a law—

I was then pretty radical.

> —not because I believe that that is the only way to stop the spread of communism, Mr. Speaker; far from it. But if that is one of the weapons we need to stop the march of that evil theory to which some of us are ready to give freedom equal to what they give to the real democrats in this country, then we should use it.

I still repeat that if we think that is one of the ways to stop communism, we should take it. As I said before, however, I believe there are other ways. The words the Prime Minister (Mr. St. Laurent) uttered were the best possible to tell the population and those

who are fighting communism that they should start clearing away the dust that has gathered in their minds because of this evil philosophy.

I remember I took another stand when we were debating a bill that gave certain privileges to United States soldiers while in Canada. I remember that some of our C.C.F. friends did not like that bill and opposed it. I recall that one Conservative member opposed it, I am not just sure which one, and I remember also that the hon. member for York West (Mr. Adamson) made a good speech against communism. At that time I said:

> The hon. member for Vancouver North stated that it would be foolish to ask this government and this parliament to extend to the U.S.S.R., Yugoslavia and Hungary the same privileges being extended to the United States, a great, powerful and friendly nation. We cannot compare the friendship of Russian toward Canada with the friendship of the United States toward our country.

The member for Vancouver North at that time is now the hon. member for Coast-Capilano (Mr. Sinclair). I went on to say that you could not overlook the dangerous infiltration of communism into the United States and Canada. While that debate was going on Reuters sent out the following report from London:

> Moscow radio said in a news broadcast today that Canadians were getting "more and more uneasy" about impending "infiltration" of United States troops, consequent upon plans for United States-Canadian defence co-operation.
>
> "In this draft", the broadcast said, "United States troops are given such privileges that have never before been given to foreign troops on territories of other countries in peacetime."
>
> "Several articles of the Canadian Criminal Code will not be applied to the United States troops. Military and other United States authorities are granted full rights on the Canadian territory, providing only that they do not interfere with the local Canadian ones."

It is not enough to fight communism and to say that we are against communism; the fight should be intelligently conducted. At that time we gave to a friendly nation privileges that were necessary in order that they might help us if the time came when we would be needing help, and I am afraid that that day will come.

There are many things that should be corrected. A couple of weeks ago I spoke in this house about divorce and I hope I am not referring too much to a previous debate. One way that communism can enter our homes is through the disruption of family life. I think we all believe that the family is the basic cell of our society and we should do our utmost to see that it is not disrupted. I was reading about the new constitution proposed for Japan by General MacArthur. I realize that General MacArthur is doing his utmost to fight communism, but I do not think he should give communists a chance to enter the social life of that country. Article XXII of that new constitution states:

> Laws shall be enacted considering choice of spouse, property rights, inheritance, choice of domicile, divorce—

If you accept divorce in any declaration of human rights, you accept the possibility of the destruction of family life. You accept also the possibility of destroying that authority which we need so much, the authority of the father and mother over the family. In article 16 of the universal declaration of human rights of the United Nations it is stated:

> Men and women of full age, without any limitation due to race, nationality or religion, have the right to marry and to found a family. They are entitled to equal rights as to marriage, during marriage and at its dissolution.

Marriage cannot be dissolved; marriage is for life. If that article has remained in that declaration it is in absolute contradiction of good sense and common sense. It is stated in that declaration that the family is the natural and fundamental unit of society and is entitled to protection by the state. If we want to fight communism we must protect the basic cell of our society and not include in any declaration of human rights, whether it be Canadian, Japanese or otherwise, such declarations.

Karl Marx was quite unscrupulous when he spoke about religion, because among other things he said that religion was:

> The opium of the people.
> An intoxicating poison.
> Brain stuffing.
> A capitalistic stimulant.
> A bourgeois cure.
> A seducing idea to stupify the people.
> A repulsive ghost.

I think it is right to say that Marxism, and especially communism, is a religion. It is more than a philosophy, it is a religion. If you look closely at the organization in Russia you see that Stalin is set up as a god and they have the twelve apostles in the politburo. Images of these apostles and this god are distributed widely in schools and public places throughout Russia. They are trying to tear Christianity apart with their organization. They are trying to destroy God.

They know perfectly well that God cannot be destroyed but, at the same time, as was said yesterday by the leader of the opposition (Mr. Drew), they are anti-God. I have no doubt they realize that they have a hard job to perform, but they do it just the same. They are keeping the people of Russia firmly in their grip. That is the only way to keep twenty million people in servitude in the concentration camps. It is anti-God when the

clergy of any religion can be thrown out of the churches. Those who have been permitted to come back may enter their pulpits on the condition that they advocate communism and the policies of the Kremlin as being the best in the world, something that should be followed in Russia and throughout the world. Nobody can deny that, but sometimes Russia gives us a good lesson. I was speaking about divorce a moment ago. In article 122 of the Russian constitution I find the following:

> Women in the U.S.S.R. are accorded equal rights with men in all spheres of economic, state, cultural, social and political life.

To hear that, one would think that women in Russia are free to do what women can do in our country, work when they feel like working outside their homes, remain at home when their families are large in order to take care of them in the proper way. The article continues:

> The possibility of exercising these rights is ensured to women by granting them an equal right with men to work—

In giving women equal rights with men to work they do not say that their government very often forces women to go to work in whatever place the government thinks best in order to further the aims of the communist organization or communist country. The article goes on:

> —payment for work, rest and leisure, social insurance and education, by state protection of the interests of mother and child, by state aid to mothers of large families and unmarried mothers...

They believe in that now because of the costly experiences they have had as a result of their laxity with regard to divorce. I think I am in order in speaking that way because I want to prove that a weak spot of our democracy is the disruption of families through too easy divorce.

I think that there is another angle from which we can look at the amendment presently before the house. I refer to the constitutional side of the question which I believe was stated very plainly yesterday by the Prime Minister (Mr. St. Laurent) when he took part in the debate. I have a newspaper clipping from the Montreal *Gazette* dealing with a forum in which the hon. member for Lake Centre (Mr. Diefenbaker), Mr. Paul Sauriol of Montreal, editorial staff member of the Montreal French daily newspaper *Le Devoir,* and others took part. The newspaper article refers to Mr. Sauriol's part in the discussion as follows:

> Mr. Sauriol argued that eleven bills of rights would be needed if all personal rights were to be covered. He was against amending the Canadian constitution to give jurisdiction to the federal government in the field of human rights. Such an amendment would be "contrary not only to the letter but to the spirit of our constitution, because the principal function of the provinces is to protect the personal rights of their citizens."

Our government did more than that. At the United Nations a firm stand was taken by the Secretary of State for External Affairs as to the constitutional aspect of the question when he stated:

> I wish to make it clear here, that in regard to any rights which are defined in this document, the federal government of Canada does not intend to invade other rights which are also important to the people of Canada. By this I mean the rights of the provinces under our federal constitution. We believe that the rights set forth in this declaration are operative and well protected in Canada. We shall continue to develop and maintain these rights, but we shall do so within the framework of our constitution which assigns jurisdiction in regard to a number of important questions to the legislatures of our provinces. Because of these various reservations on details in the draft declaration, the Canadian delegation abstained when the declaration as a whole was put to the vote in the committee.

It is plainly to be seen that the government has respected the constitutional side of the whole question. I said that the matter was very clearly put by the Prime Minister in the words he uttered at Loyola college the other day, and I repeat that everyone should keep those words in mind. We should be conscious of the constitutional situation in our minds, our hearts and our souls. I should like to read a few excerpts from a book by Monsignor Sheen, whom I have been following for many years and who is in my opinion a good author on this subject. The excerpt I am about to read will answer the hon. member for Rosetown-Biggar (Mr. Coldwell) when he said that all churches had admitted that the cause of communism was the poor economic situation. Monsignor Sheen has this to say:

> Neither is communism to be met altogether on the false assumption that if economic conditions were bettered we would do away with communism. Communism is not just an economic system; it is a philosophy of life. Conditions were very good in the garden of Eden, but Lucifer started his revolt there. Bad economic situations are only a condition but never a cause of communism.

Monsignor Sheen also said:

> There is much misunderstanding concerning what a nation and a people should do to combat communism. Immediately there come to mind four ways in which it should not be done. Communism should not be met by vituperation, name-calling, and personal hate. Hate is like a seed—it grows. By hating communists we advance communism, for communism grows in discord just as disease thrives in dirt.

He also said:

> Finally, we are not to think that we are called on to be God's agents to execute vindictive judgment on the communists, but to see the whole world as seated in sin. When a germ infects a body, it generally does not so localize itself that a surgeon can take out a quart of blood and liquidate the evil. The germs are so diffused through the body that the whole body must be saved. So, too, there is

evil throughout the world; communism is one of its principal symptoms. The Christian point of view is to see ourselves as part of a guilty world. In fact, the more innocent we are, the more we are to feel that guilt, because then we better recognize our oneness with our fellow men. Our Lord was innocent, but He took on Himself the sins of the world.

I hope I am not tiring hon. members by these quotations. I think they are necessary. On education Monsignor Sheen has this to say:

Since communists infiltrate their philosophy through lies and myths, it is imperative that people in a democracy be properly informed concerning not only the errors of its ideology, but also the great truths of human nature, history and religion. Schools are in operation only about six hours a day, most of them closing at three in the afternoon. It would seem in the present crisis advisable to use the later afternoon and evening hours for adult education.

If we want to fight communism we should do so intelligently. I hear some members of the opposition vituperating the Minister of National Defence (Mr. Claxton) when he does not want to give all the information they would like to have. Sometimes we should not ask for too much information, for the same thing could happen here that happened in the United States. I have here a clipping from the Toronto *Daily Star*, a very good newspaper, of March 2, 1950.

Some hon. Members: Oh, oh.

Mr. Gauthier (Portneuf): It is a good newspaper, and I would say the same of the *Globe and Mail*. The heading is "Better than spy in F.B.I. is N.Y. trial to Russians," and the article goes on:

With no more effort than it takes to sit in court and listen, the Russians are learning these days about how the federal bureau of investigation hunts spies—Russian or otherwise.

What use do the G-men make of wire-tapping?

What sort of secret records does the F.B.I. keep on spy suspects?

How much does the F.B.I. know about the activities of known or suspected soviet agents in the United States?

Then it continues:

Miss Coplon, a former justice department employee, and Gubitchev, a soviet engineer, formerly employed by the United Nations, are accused of conspiring here to transmit U.S. secrets to Russia.

Yesterday, for example, extracts from thirty-four F.B.I. data slips figured in the evidence. These were supposed to be secret. Miss Coplon is accused of copying them without permission. They never reached the Russians—but the Russians know about them now. They are in the record.

That happened just because those conducting the inquiry were seeking too much information from the F.B.I. That is what we may do when we ask the Minister of National Defence to divulge too much information in the house; we may give very good weapons to those who are trying to destroy us.

In conclusion, Mr. Speaker, I believe the best way to fight communism is to follow, to believe and to live up to the words uttered by the Prime Minister (Mr. St. Laurent); to lead our own Christian lives and live by our own moral standards; to try to keep those standards up and not bring them down. If we must fight them, let us do so with belief in God. I think that is the only way, not with too-radical measures. Let us put our credo right in the face of the communist credo, and I am sure at last we will win the war.

Mr. Rodney Adamson (York West): Mr. Speaker, since I was the first member of this house to recommend that the Canadian government officially recognize Russia diplomatically, in 1941, I feel that I should speak on this amendment. Since it is almost six o'clock, however, I move the adjournment of the debate.

Motion agreed to and debate adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow we will go into committee of ways and means and take up the budget resolutions. On Thursdays and Fridays we go into ways and means without question put. If those resolutions are dealt with we shall take up two resolutions on the order paper, one in the name of the Minister of Trade and Commerce providing for an additional vice-president of the national research council, and the other in the name of the Minister of Veterans Affairs concerning allowances, which was under consideration some time ago.

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

HOUSE OF COMMONS

Thursday, May 4, 1950

The house met at three o'clock.

COMMITTEES OF THE HOUSE

MISCELLANEOUS PRIVATE BILLS

First, second and third reports of standing committee on miscellaneous private bills.—Mr. Winkler.

PUBLIC ACCOUNTS—DOMINION ELECTIONS ACT—CHANGES IN PERSONNEL

Mr. W. G. Weir (Portage-Neepawa) moved:

That the name of Mr. Drew be substituted for that of Mr. Murphy on the standing committee on public accounts.

That the name of Mr. Pearkes be substituted for that of Mr. Green on the special committee on the Dominion Elections Act.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

CANADIAN PRISONERS OF WAR

Mr. Pearkes:

1. How many Canadians were held as prisoners of war by the various hostile powers, during world war II?
2. What were the total man days each detaining power held Canadians as prisoners of war?

Mr. Blanchette:

1. Germany and Italy, 7,816; Japan, 1,736; total, 9,552.

The above refers to members of the Canadian armed forces only. It is not possible to determine the number of prisoners held by Germany and Italy separately, owing to transfer of prisoners of war between these two countries.

2. This information could only be obtained by a review of each of the files of the 9,552 prisoners of war.

WAR ASSETS—SEA-GOING CRAFT

Mr. Knowles:

1. Are goods or equipment sold by war assets corporation sold "as is" and "where is," or may such goods or equipment be reconditioned or overhauled before being sold?
2. Are there any instances of any motor launches or boats or sea-going craft of any kind being renovated, repaired, overhauled, or reconditioned before being sold by war assets corporation, and is any such craft now being renovated, repaired, overhauled, or reconditioned in readiness for its being sold or put up for sale?
3. If so, where has such work been done, or where is it now being done?
4. To whom has any such craft been sold, or who is the prospective purchaser of any such craft?
5. Have any contracts been let by war assets corporation to North Channel Ship and Yacht Repair Company at any time since January 1, 1948?
6. If so, what are the details of any such contract, including the amounts of money involved, the work done or to be done, and the purpose thereof or the reason therefor?

Mr. McIlraith:

1. (a) Yes; (b) yes.
2. No.
3. Answered by No. 2.
4. Answered by No. 2.
5. No.
6. Answered by No. 5.

NEWFOUNDLAND—FINANCIAL SURPLUS ON DEPOSIT WITH FEDERAL GOVERNMENT

Mr. Higgins:

What is the amount of Newfoundland's financial surplus now on deposit with the government?

Mr. Sinclair: $20,000,000.

QUESTIONS PASSED AS ORDERS FOR RETURNS

OLEOMARGARINE—IMPORTED INGREDIENTS

Mr. Catherwood:

1. Has the government given consideration to the imposition of restrictions on the amount of the importation of vegetable and other oils and ingredients necessary for the manufacture of margarine?
2. If so, with what result?
3. What steps, if any, have been taken to increase the tariff against such oils?

MINISTERS OF THE CROWN—AIR TRAVEL—TENDERS

Mr. Knight:

1. What was the total cost of the round the world trip of the Secretary of State for External Affairs and the Minister of Fisheries?
2. Was a plane chartered for the main trip? If so, from what company or organization?
3. What was the amount of the accepted tender of that organization?
4. Were tenders for this service requested by the government from other organizations or companies?
5. If so, what companies tendered, and what were the amounts of the tenders?

DEPARTMENT OF NATIONAL HEALTH AND WELFARE

Mr. Fraser:

1. How many departments or branches are there in the Department of National Health and Welfare?
2. What are these departments or branches called?
3. What are the functions of each?

4. How many permanent employees in each department or branch?

5. How many non-permanent?

6. What was the total travelling expense for all employees of the Department of National Health and Welfare in the year 1949?

STRAWBERRIES

QUESTION AS TO IMPORTATIONS OF FRUIT PULP FROM HOLLAND

On the orders of the day:

Mr. R. E. Anderson (Norfolk): Mr. Speaker, I should like to ask a question of the Minister of Trade and Commerce. I have been informed that five hundred tons of strawberry pulp packed in sulphur dioxide are being sent to Canada from Holland, some of which has already arrived. I understand the reason given was that Holland prefers our hard currency to that of Great Britain where the shipment was intended to go. As our own strawberry season is approaching, could I have the assurance of the minister that further shipments will not be permitted?

Mr. Graydon: Could we have the hon. member's question again? There was so much noise we could not hear it.

Mr. Speaker: Order. The hon. member's question is a little longer than we generally allow at this time.

Mr. Graydon: It is important, though.

Mr. Speaker: If the house would like to hear it again, perhaps the hon. member would read it a second time. I would ask hon. members not to make so much noise.

Some hon. Members: Hear, hear.

(*Question repeated.*)

Right Hon. C. D. Howe (Minister of Trade and Commerce): I can confirm the hon. member's information that a quantity of strawberry pulp packed in sulphur dioxide has been exported to Canada from Holland. This fruit pulp would be imported into Canada under customs tariff 105c with a customs duty of 25 per cent ad valorem under the most-favored-nation rate.

In 1949 our exports to Holland were valued at $13,759,130 and our imports at $6,687,602. In view of this decided trade balance in our favour and the existing tariff protection to domestic producers, the government could not favourably consider the suggestion made by the hon. member that imports of this type from Holland be refused entry.

Mr. Graydon: You will kill the fruit industry if you admit them.

PRIVILEGE

MR. JOHNSTON—REFERENCE TO REPORT IN MONTREAL "GAZETTE"

On the orders of the day:

Mr. C. E. Johnston (Bow River): Mr. Speaker, on Thursday, May 4, there appeared in the Montreal *Gazette* an article—

Mr. Speaker: Order. When the last question was asked there was so much noise in the chamber the question could not be heard.

Mr. Chevrier: It came from over there.

Mr. Speaker: At the present time there is just as much noise. I would ask hon. members not to converse with each other at this time, so that the questions asked may be heard.

Mr. Johnston: On Thursday, May 4, the Montreal *Gazette* contained an article with a Canadian Press byline. This article is headed, "Privilege of franking said safe for M.P.'s," and it states, in the second paragraph—

Mr. Speaker: Order. I cannot allow the hon. member to read a newspaper article at this time.

Mr. Johnston: It is a question of personal privilege. I am not asking a question.

Mr. Speaker: A question of personal privilege should have been raised earlier in the proceedings.

Mr. Johnston: I tried to, but you did not see me, sir.

Mr. Speaker: The time to raise a question of privilege is at the opening of the sitting.

An hon. Member: Any time.

Mr. Speaker: However, as the hon. member now wishes to bring up a question of privilege I think we should hear him.

Mr. Knowles: It is a good one, anyway.

Mr. Johnston: And it is a very important question of privilege. The first sentence of the second paragraph in the article reads:

> In the public accounts committee Mr. Sellar was questioned by C. E. Johnston (C.C.F.—Bow River) about a proposal to put the post office on a commercial basis.

I should like to draw attention to the fact that I am not a C.C.F.'er, I have never wanted to be, and I am quite content to be a Social Crediter.

WAYS AND MEANS

The house in committee of ways and means, Mr. Dion in the chair.

INCOME TAX ACT

Resolved, that it is expedient to amend the Income Tax Act and to provide, amongst other things:

1. That for the 1949 and subsequent taxation years, the provision under which the 10 per cent tax rate on the first $10,000 of income of a corporation applies only to one of several related companies be amended so that the test of relationship of companies shall be ownership of 70 per cent or more of all the issued common shares of capital stock of the corporation instead of mere control.

Mr. James Sinclair (Parliamentary Assistant to the Minister of Finance): Mr. Chairman, before I begin the discussion of the Income Tax Act resolutions, there are one or two matters connected with excise tax to which I should like to refer. I believe this would be the appropriate time to do so.

The hon. member for Melfort asked an interesting question as to the status of American contracting firms bidding on Canadian projects, having success in their bids and then bringing their equipment across the line to work on such projects. Obviously if they were able to bring equipment across without duty and sales tax they would be in a preferred position in comparison with Canadian contractors. I referred this matter to the deputy minister of national revenue in charge of customs and excise, and perhaps, for the information of all hon. members, I might be permitted to put his opinion on the record.

Under the customs tariff the contractors' equipment mentioned would be subject to payment of customs duty and sales tax in the ordinary course, but where materials are owned by a United States concern who have been given a contract by Canadian interests to perform certain operations in this country and who require the use of equipment which is of a special nature and not available here, it is the practice of the department to submit the facts to the governor general in council with a view to obtaining authority for collection of the duty and sales tax on a proportionate basis, conditional on exportation of the equipment within a specified length of time. It is only where inquiries made by the department have established the fact that no Canadian interests would be prejudiced that such submissions are forwarded to council.

I should like to make a short statement with regard to the first income tax resolution to be found in the ways and means resolutions now before us. While I am piloting these resolutions through the committee, the Minister of Finance of course will actually put the bill through. I am not a lawyer, and income tax legislation is without doubt the most technical of all the legislation on our statute books. Nevertheless most hon. members are not lawyers, so it may be an advantage so far as the resolution stage is concerned to have the general intent of these resolutions explained in layman's language, and that is what I intend to do.

The Minister of Finance has told me that between the first reading and the second reading of the bill at least one week will be allowed to elapse, during which time hon. members who are interested in this type of legislation can study the bill. He has asked me to repeat the invitation he has given to all members of the house to avail themselves of the services and help and advice of the many excellent and competent officials in the Department of Finance and of National Revenue who have worked on this legislation.

The first of the Income Tax Act resolutions relates to the ten per cent tax concession which was made last year to small business. You will remember that before last year we had a flat thirty per cent tax on the profits of corporations, and it was felt that that bore down too heavily on the small businessman. So for the first time in the history of our tax legislation we introduced a graduated scale of corporation taxation somewhat similar to the graduated scale we have always had in connection with personal income tax.

The rates were changed to ten per cent on the first $10,000, and then, to ensure that there was no revenue loss, the rate was raised to thirty-three per cent on the profits beyond that figure. That actually meant that a company with profits less than $77,000 a year would gain under this legislation, while a company with profits over that would have to pay heavier taxes.

The intent of the legislation was not necessarily to help small business; the intent was to help the small businessman. There are many wealthy men in this country who have a great number of small businesses and who derive from those businesses large incomes of perhaps $50,000 to $100,000 per year. If this ten per cent rate were applied to all small businesses which had profits of less than $10,000 a year, it would be possible for such a man to have an income of from $50,000 to $100,000 a year and pay only this ten per cent corporation tax rate, whereas another man with the same income, but derived solely from one company, would be paying ten per cent on the first $10,000 and thirty-three per cent on the income above that.

If the ten per cent rate was to be applied to every company then it would be possible for certain types of businesses to break up into individual units. For example, chain

stores could be broken up so that every store was a separate corporation which would pay the ten per cent rate. The result would be that the aggregate corporation income would be subject only to the ten per cent rate. On the other hand, there are many industries which could not be broken up in that fashion. In my own riding there are mines and pulp and paper mills where the final sales are at the end of their production, the sale of ore or concentrates or paper.

Last year we tried to devise legislation which would help the people we wanted to help, the small businessmen who were struggling to expand their businesses, by relieving them of this heavy thirty per cent tax and substituting the ten per cent rate. However, to protect against abuses such as I have mentioned we limited that to one of a number of controlled companies. The majority shareholders of those controlled companies will be the ones who will designate which of the companies shall receive this concession of ten per cent tax on the first $10,000.

When the minister was piloting the bill through the house, hon. members on both government and opposition sides pointed out some of the factors which were involved, and suggested that it might prove to be a hardship on the minority shareholders in controlled companies. At that time the minister gave the house assurance that if during the year experience showed that this was inflicting hardship on the type of businessman we intended to help, changes would be made, and made retroactive to cover the 1949 tax year. When I appeared before the Senate I gave the same assurance.

During this past year it has been found that the present legislation, while of good intent, has hurt one class of businessman in Canada. It often happens that someone, perhaps a returned veteran, wants to start a small business in a small town, possibly a garage. He cannot raise the money in the ordinary way, so he turns to what you might call the local capitalist, the man who has made his money in the town. This man not only has money; he has credit standing and managerial experience. I am sure that every hon. member who has small towns in his riding knows that that situation exists. Such a man may help any number of little industries to get going. He will retain control of the company during a certain period and exercise managerial control. Because of that the business is able to obtain bank and other credit.

Under the present legislation only one of such a group of small companies which had been helped by one or two local men of money would be able to obtain this concession. Whichever company was picked out would get the concession, but the others, the minority shareholders in the other groups, would not only be denied the ten per cent concession; they would be paying a corporation tax, not at the old thirty per cent rate but at the new level of thirty-three per cent. It is for that reason that we have introduced this new resolution to expand the idea of control, not to bare control, but, as is stated in the resolution, to ownership of not more than seventy per cent of the common shares.

It is hoped by this means to expand this concession to most of the genuine small businesses in the country. At the same time the seventy per cent stipulation does not make this concession available to some of the large corporations whose business is of such an order that they could break it up into units and so avoid the normal corporation tax.

Mr. Green: Will this be retroactive?

Mr. Sinclair: That is the assurance given by the minister, that it will cover the 1949 tax year. That was promised by the minister in the resolution speech he made last fall.

Mr. Fleming: On the face of it I think this resolution is likely to commend itself to hon. members. The parliamentary assistant, however, might expand the information given in some respects. In the first place, may I ask whether, under the terms of the proposed bill, this will remain the only definition of related corporations? In the second place, is the parliamentary assistant in a position to inform the house how many corporations have been affected by the provision introduced last year in the amendment to section 36 of the act? How many small companies were benefited by the reduction in rate?

Mr. Sinclair: So far as the latter part of the question is concerned, of course the tax returns are not in yet. Our only knowledge comes from the correspondence we have received. Generally the concession was greatly welcomed, but the one complaint was from this group of companies. Perhaps I should also mention that it was not in the House of Commons but rather before a Senate committee that the question was raised by various senators. I know at times the Senate is harshly dealt with in this house, but my experience in the last few years in the position I occupy has been that the Senate committees on banking and commerce and finance are of tremendous aid to our parliamentary processes. It was there that various senators put their fingers on the point that our bare control measure would inflict hardship on the very class of small businessmen in small towns whom we were seeking to aid. The

actual definition of related companies will be spelled out most carefully in the bill which will be available once the resolution passes.

Mr. Fleming: That is not quite an answer to my question. I asked if this test, as proposed in the resolution, will now become the only and exclusive test to determine whether or not corporations are related.

Mr. Sinclair: Oh, no; this particular test has been applied only with relation to this special tax concession.

Mr. Fleming: Again may I say that I do not think the parliamentary assistant has understood my point. Is this going to be the only test under section 36 of the act whether corporations are or are not related?

Mr. Sinclair: Yes; that is right.

Mr. Diefenbaker: Will the parliamentary assistant say what restrictions or safeguards there are to protect the department against companies subdividing into other companies, and bringing the subdivided companies within the position contemplated by the act last year and the change now being made? As I understand it, when the Minister of Finance introduced the budget he said these changes were made for the purpose of encouraging small business, and that is a most commendable purpose. The parliamentary assistant has mentioned that there are numbers of businessmen who control a number of small companies. What is there to prevent any company in Canada today from coming within the shareholder provision of this section by subdividing into units? What is there to prevent a businessman with half a dozen small companies from continuing to operate those companies, thereby escaping the heavier rate of taxation? What is there to prevent larger businesses with the same type and percentage of control from breaking up and thereby ensuring an evasion of income tax?

Let me carry it one step further. What is there to prevent a chain store, taking the example given by the parliamentary assistant, from coming into this country, opening a dozen units, and, within the control limits provided under this resolution, establishing each one of those chain stores as separate incorporations? Has anything like that been done in the last year? Are any safeguards contemplated in the bill to be introduced to implement the resolution which will prevent such a situation from arising?

Mr. Sinclair: Perhaps I did not explain sufficiently why we picked on seventy per cent. If it had been ninety or ninety-five per cent, then it would have been comparatively easy to do the sort of thing the hon. member for Lake Centre has suggested. With seventy per cent control, however, it is not merely seventy per cent control by one person but by one person or persons not dealing at arm's length. If in two or three of these companies one saw the same shareholder in the other thirty per cent of common stock, then the Department of National Revenue would say that these people are obviously not dealing at arm's length.

Mr. Diefenbaker: That is not a very strong safeguard.

Mr. Sinclair: I am assured that from the legal standpoint—and I know that is what my hon. friend is interested in—adequate safeguards have been worked out.

Mr. Diefenbaker: What are they?

Mr. Sinclair: That is why I said so clearly that while I think I am competent to explain the matter in layman's language to a layman, I should not presume to try to explain a legal point to the hon. member for Lake Centre. I am quite sure the minister will do so when the bill is introduced. After all, resolutions are only expressions of general intent and not details of legislation.

Mr. Diefenbaker: There will be safeguards?

Mr. Sinclair: There will be safeguards.

Mr. McLure: Before the resolution carries there is a matter I wish to bring to the attention of the Minister of Finance and his parliamentary assistant. In the resolution it is stated that it is expedient to amend the Income Tax Act to provide certain things. I should like to mention a particular case having to do with income tax. If a married woman has an income in excess of $250 and under $1,000, the income of $250 is automatically deducted from her husband's exemption as a married man. That is to say, if the wife's income is $750 the husband has $500 taken off his $2,000 exemption as a married man. On the other hand, a widower keeping house, with a daughter living at home, has an exemption of $2,000 as a householder. His daughter can have an income up to $500 and it is not deducted from the widower's exemption of $2,000. This appears to be discrimination in the widower's favour to the extent of $250 compared to the situation of a married man. A married woman's income should be exempt up to $500 before any deduction is made from her husband's exemption. I believe this matter was brought up last year. Then there is the case of the married woman over sixty-five.

The Chairman: Order. I think the hon. member is out of order. We are discussing

amendments to the Income Tax Act, not the principles of the act. We are discussing the principles of the amendments.

Mr. McLure: The resolution reads: "Resolved, that it is expedient to amend the Income Tax Act", I am suggesting amendments, and therefore I do not see how you can rule me out of order. I only have one more item. A married woman over sixty-five can have an income up to $1,500 before being taxable, but in this case any income over $250 has to be deducted from her husband's exemption as a married man. If her income is in excess of $1,000, in spite of the fact that she has an exemption of $1,500, her husband loses all his status as a married man and is therefore taxed as a single man. This certainly is an unfairness in the act that should be corrected. If an additional exemption of $500 is allowed on attaining the age of sixty-five, I believe that $500 should be reflected in an adjustment of the husband's income. The wife who is over sixty-five should have an exemption of $500 in connection with her income before the surplus income affects her husband's exemption, which would make $1,000 in all after the wife attained the age of sixty-five. This situation affects many people, and as a matter of equity it should be rectified. I hope the department will see it in that way; and any change should be made retroactive to 1949.

Mr. Sinclair: As you pointed out, Mr. Chairman, this first resolution has to do with corporation tax. In the second place, my job here is to explain the general intent of the amendments. The points the hon. member has raised undoubtedly would be pertinent on section 9, which has to do with income tax. In fairness to myself, the hon. member read these details—as he had to, when dealing with such figures—from a manuscript, and obviously he would not expect me to remember all the facts and figures he mentioned. When the bill is before the house, however; when we are dealing with the sections concerning personal income tax, and after the minister has had the opportunity to read the remarks of my hon. friend in *Hansard*, I am quite sure an answer will be forthcoming.

Mr. Smith (Calgary West): I want to ask the parliamentary assistant for some explanation with respect to the diminishing balance of straight-line depreciation concerning income tax, and perhaps he would tell me when such questions would be appropriate.

Mr. Sinclair: I can certainly tell the hon. member that the best time to ask the questions will be after he has had the bill in his hands and has seen the actual legal provisions contained therein. I am quite sure the minister will be only too anxious to explain anything that may be asked, now that we have had some little experience with that matter.

Mr. Smith (Calgary West): Thank you very much; I merely wanted to find out when I should ask the questions.

Mr. Drew: I want to mention just one point in connection with the explanations that have been given. As the parliamentary assistant has stated, he does not suggest that he has the legal training to give a strictly legal interpretation of some of these matters. He then goes on to say that he is not in a position to explain some of these details, but that if this resolution is passed now, when piloting the bill through the house later on the minister will be able to give the explanations that are required.

It may well be that the items now before the committee will be adopted without variation, but the motion before the committee is that it is expedient that certain things be done. I submit that we are not in a position to say whether or not it is expedient unless at this point there is some explanation as to why these things should be done. In fact if there is any time when the explanations should be given it is at this point, because this is the time the committee states in principle whether or not certain things should be done. Then the bill carries out the stated view of the committee in clear legal phraseology. For that reason, without raising any meaningless objection, I suggest that this is the time when every explanation that is requested should be given, so that before the committee decides whether or not something is expedient, hon. members may know about it. Then it will be possible for the legal draftsman to interpret that decision in legal phraseology.

Mr. Sinclair: The points raised by the leader of the opposition are the very points I tried to make in my explanation. This resolution actually states that it is expedient to extend our ten per cent corporation tax rate from bare control to seventy per cent control. I suggest that the argument by hon. members today should be directed to whether or not it is expedient that we should stick to bare control or whether we should extend it to seventy per cent, eighty per cent or ninety per cent control. I certainly suggest that at the resolution stage it is not proper for me, for example, to launch into a discussion of marriage exemptions in connection with personal income tax, or the application of the diminishing balance of depreciation. The intent of this resolution is to change the announced rate of last year of ten per cent

on the first $10,000 and we must decide whether that shall apply to only one company which is barely controlled, or shall be extended to companies controlled to the extent of seventy per cent or more of the common shares.

That, I submit, is the intent of the resolution. I have tried to explain it in the only way I can, in layman's language, for the benefit of the laymen in the house, who are just as much interested in tax questions as the lawyers are. Certainly I would be the first to admit that I am not qualified, particularly at the resolution stage, to discuss the legal procedure by means of which this intent will be translated into effective legislative action. At various times there has been talk in this house about cutting down on our parliamentary procedure. One of the suggestions has been that we should get away from this resolution stage on money bills. Some are for it; some are against it. I see that the hon. member for Winnipeg North Centre is just itching to rise to his feet—

Mr. Knowles: Just to keep the record straight, I think what the hon. gentleman is saying is confirmed in part by a report that was laid on the table at one time; but that recommendation was to do away with that stage of the debate when the Speaker was in the chair, not with this stage.

Mr. Sinclair: I quite agree; but on money bills we give this extra warning, if I may call it that. It is not just the warning given by the first reading of a normal bill; it is an extra warning, both with the Speaker in the chair and when we are in committee. Hon. members will recall that when the Speaker was in the chair nothing was said about this particular item. At that time the debate on the motion that we go into committee of ways and means covered quite a wide range, but no one mentioned the actual budget resolutions. Even here in committee, when I think we should stick to the intent of the various resolutions, there was a feeling—it may not have been the feeling of the majority—that this was another parliamentary procedure that perhaps was not as essential today as it was in the days gone by.

In any case, I have tried to explain the intent of this resolution, which is to extend this ten per cent corporation tax concession from just bare control to seventy per cent control. I have stated that as soon as these resolutions are passed the bill will be brought down, and there will be at least a week, between that time and the time the minister proceeds with it, during which the actual details may be examined.

Mr. Diefenbaker: Perhaps the hon. member would tell us whether any difficulties were experienced during the past year in connection with evasion of the regulations or the act as it was altered last session. While the parliamentary assistant was telling us about the difficulties and intricacies of the income tax regulations, a letter came to me from a farmer in Saskatchewan which bears out what the hon. member was saying. This farmer points out that the time has come in this country, because of the difficulties in connection with income tax forms, and, as he puts it, the necessities of the times, when some special course on income tax law should be made available in the public schools, so that the farmers would be able to make out their income tax returns and know what the forms actually mean. He said he was referring to the new simplified form that had just come into use. That is an aside, but it does bear out what my hon. friend says, that it is a difficult and abstruse subject. I believe he rather minimizes his own ability when he says he cannot explain the intricacies of the resolution; for he took some time in doing so, and all of us understand what he was trying to say, even though experiencing that mental shortcoming that we have in matters such as this.

The parliamentary assistant has explained at great length the change that is being made. Within the last year, were there any cases in which companies deliberately endeavoured to get away from the payment of income taxes by subdividing?

Mr. Sinclair: The Department of National Revenue has no official knowledge of such, because the returns are only now in for the year. All we can go on once again is the actual correspondence we have had concerning the difficulty in applying our present law to the small business set-up in Canada. Certainly by fall I think the Department of National Revenue will have an accurate picture as to how this tax change affects small business. I want to thank the hon. member for his earlier remarks.

Resolution agreed to.

2. That in order to permit a private company to pay tax on undistributed income so that it may capitalize the undistributed income, the company may elect

(a) to pay a tax of 15 per cent on undistributed income held by the corporation at the end of the 1949 taxation year and

(b) to pay a tax of 15 per cent on undistributed income earned thereafter equal to the dividends distributed from time to time by the corporation during the period when the undistributed income was earned.

Mr. Sinclair: Perhaps I should speak first on this resolution, because it has perhaps been

most misunderstood in the press of the country. There seems to be a suggestion that this is a punitive section, and that it is the intention of the government to tax capital gains. On behalf of the minister I can assure you the government has no intention of trying to tax what are now understood to be capital gains. Mind you, if one pursues in academic discussion what a capital gain is, then the grocer who buys a can of vegetables for eight cents and sells it for twelve cents has made a capital gain. We say, however, that that is his way of doing business. The man who is a speculator in real estate, and who buys a property and sells it at a higher price, has also made a capital gain, but he derives his income in that manner. On the other hand, a man who makes a long-term investment and later realizes on it to his advantage is making the sort of increase in capital which, in the case of the grocer and the real estate man, is regarded as income. These things cannot be spelled out in the law, but have to be judged on the facts of each case.

There has been some suggestion that this resolution has to do with capital gains, but the actual effect of it is the very opposite. Far from being a punitive section, it is a beneficial section, with special effect on private companies. It may have some small application to public corporations, but because of the special financing problems of private companies, which in our present act are spelled out as being companies of seventy-five shareholders or less, it is more applicable to them. These companies have financial problems which public corporations have not got.

There are many men in this house who are in business in a small or large way who know, first of all, how hungry an expanding business is for money. There is no end to the money which has to be poured into a business if it is to expand. Public corporations, of course, because of their good credit, can float bonds and stocks, and have these methods of financing open to them. A private company is practically limited to the plowing back of profits into the company. This practice has been followed across the country as long as we have had private companies in Canada. The second reason why these companies have had to put back into the company an unduly large percentage of their profits rather than pay them as dividends has been the attempt to make the sale of their stock, when necessary, as attractive as possible. In some years they make money and can pay dividends out of profits. In other years they do not make money, but they have to put aside a fair proportion of their profits in the good years in order to maintain a steady dividend. All of you know what difficulty there is in attempting to realize on the forced sale of private company stock.

For these reasons these private companies, much more so than public companies, have had to pile up a considerable portion of their profits as undistributed income. If the principal shareholder should die, this problem becomes acute, because succession duties are levied and the estate must raise the cash to pay them, so the company has to be wound up. Under our present tax laws the entire volume of the undistributed profits must be assessed as income of that year. The company may have been twenty years accumulating that surplus, and yet the shareholders, because of reasons beyond their control, the most obvious one being the death of the principal shareholder, are forced, if the company has to be wound up, to pay income tax in one year at our present rates on that entire amount.

This problem is not new. It was with us during the war, and in 1939 the Ives commission was set up to ascertain in what way, fair to both the crown—that is, the people of Canada who expect to get a fair tax return out of these companies—and to the private companies who in good faith established these surpluses, this problem could be settled. The Ives commission made recommendations which were carried out. They provided, first of all, for a graduated scale of income tax to be paid on this surplus. It is detailed in the Income War Tax Act, section 94. Section 96 of the act gives the sliding rate which varies between fifteen per cent and thirty three per cent, depending not on the total income of the shareholder but on the actual dividend which he got from the company. Of course that is not quite the fairest way, because the actual shares he had in the company might not reflect his total income. A very rich man may have a small share in the company, and he would get by with a low rate. Another man may have his total investment in that company, and because of the graduated scale applied to the actual dividend payable, he may pay quite heavily.

The second thing which was noticed in consideration of the Ives commission report was that many of these payments were tax-free payments, such as payments to other corporations and payments to persons who are non-taxable such as including trustees of pension funds. We thought at this time it would be proper, eleven years after the Ives commission investigation, to bring forward another optional proposal for companies that want to avail themselves of it. There is nothing forced in this. Any private company that wants to do these things can relieve itself of this problem which will occur if it

has a winding up. The resolution says that the company may elect to pay fifteen per cent on undistributed income held by the corporation at the end of the 1949 tax year, or it may if it wishes, pay a tax of fifteen per cent on undistributed income earned thereafter equal to the dividends distributed from time to time by the corporation during the period when the undistributed income was earned. In other words, it is a matching provision. Some companies may not care to avail themselves of this provision, but others will. At least we are now opening up an avenue whereby these private companies, with these special financial problems which public companies do not have, can put themselves in shape, if they so wish, to meet the problem which will occur if there should be a forced winding up of the company.

Mr. Fleming: On this resolution a question naturally arises as to its scope. The resolution specifies "private companies". It reads as follows:

That in order to permit a private company to pay tax on undistributed income so that it may capitalize the undistributed income, the company may elect—

—to do certain things. In dealing with this subject in a statement to the house at pages 1217 and 1218 of *Hansard* on March 28, the Minister of Finance did not make reference to private companies. The expression that he used, referring apparently to the same subject, was "closely-held corporations". There can be closely-held corporations that are not private in nature. Depending on the definition of "closely-held" there might be some private corporations that might not come within the definition of close holdings of stock. I think there should be some clarification of the scope of this resolution. In his statement the parliamentary assistant dealt only with private companies. The resolution mentions only private companies. We wish to know precisely what companies are included.

I was interested to note that the parliamentary assistant dealt with this question of freeing surpluses. There is some ground, of course, for what he said about the relative problem of private companies, on the one hand, and companies that are not private, on the other, as to their sources of further capital. However, when the hon. gentleman refers to certain disquiet in the mind of the public in relation to the intent of this resolution, may I say to him that that disquiet has its foundation in things that have emanated from the Department of National Revenue and from the government.

In the past the impression has gone abroad, and there is foundation for it, whether it was the intention of the government to create that impression or not, that the government proposed to wield the big stick and to compel corporations to distribute surpluses. For example, I refer to a Canadian Press dispatch of January 11, which appeared in most Canadian newspapers, and which reads as follows:

The revenue department has stepped up its campaign to free large surpluses of unused and undistributed income accumulating in corporation treasuries, a government spokesman said today.

There is that mysterious individual, "the government spokesman," who crops up periodically. I continue:

Corporations have been asked to use the surpluses for expansion and development or pay them to shareholders or face additional tax action by the government.

The government move is designed to help keep the economy buoyant by stimulating the flow of surpluses held by corporations for a period of years, the spokesman said.

Corporations showing a reluctance to free the surpluses are being told by registered letter that the department considers the undistributed income as being actually distributed to the shareholders as dividends, and that the shareholders will be taxed as having received this additional income.

This power is vested in the department under federal income tax laws. The spokesman said the corporations, for the most part, are co-operating with the department and the threat likely will not materialize in many cases.

The spokesman said a shareholder certainly would complain to the corporation executive if he were being taxed on money which he did not receive. The corporation thus would be forced either to pay the shareholder the amount of tax charged by the government or else actually distribute its surpluses as dividends.

Corporations which feel they have good reasons for retaining the surpluses are given a chance by the department to state their case, the spokesman said.

In some instances, corporations had put aside money for future building purposes or for purchase of additional property, or for other business reasons.

If they can show that the amount put aside is reasonable and is being put to use as quickly as possible, then the department would give them every consideration.

I have intimated, sir, that whether or not the government intended to create the impression, statements of that kind, and actions of the kind referred to in this government release under the name of threats, have created a feeling of disquiet throughout the country.

Where money is required, certainly it is within the function of this parliament and it is the duty of this parliament to enact laws to impose the burden of taxation, and impose it equitably. It is another thing, Mr. Chairman, to put in the hands of the executive branch of government a power which permits them to say: We are going to pass individual judgment on the way your executive or your board of directors does its business; we are going to say that in our opinion you are carrying an unduly large

surplus, and because we entertain that opinion, we are going to require you to distribute that surplus. In the next case the government may look at another business corporation and say: Well, we will not take as stiff a view of your case; we are not going to interfere with you. There is a very great danger in a situation of that kind, where power is vested in the executive branch of government to discriminate between various taxpayers. It is a most serious matter; and when you find that power, which is capable of very discriminatory use, vested in those who talk in terms of threats, it is a matter of which parliament should take note.

I say, sir, that if the parliamentary assistant is right in saying that there is a feeling of disquiet throughout the country in relation to this resolution, it is not, I believe, so much because of the bare terms of the resolution as it is because of the history of what has preceded it. I wish to say simply this in regard to corporation surpluses. If a time comes when there is a severe business recession, we shall be very glad to see corporations that are large employers of labour in this country possessing some surpluses with which to carry on. Where corporations have been denuded of the surpluses which, with prudent management, they have put aside for a rainy day, and they find themselves in a depression or recession of business without adequate surpluses to draw on to finance operations, we cannot expect them to be able to carry on and maintain employment and their business as they would be able to do if they had those reserves to draw on which prudent management dictates should be available for times of reduced business.

There are corporations in this country today, particularly those that are interested in the export of certain commodities, where export markets have been closed to them, that are already very glad to have some reserves to fall back on. What I am saying in general is this: that it is the function of management, broadly speaking, in relation to the needs of a business, in relation to the desire to maintain continued stable employment and the position of the company in the community and the country, to build its stability on the creation of surpluses in good times. All wise corporations are doing it today; and it is the duty of management, in good times, to create that umbrella for a rainy day. I hope, sir, that this government is not going to inject itself, by arbitrary exercise of powers that are open to very discriminatory use, into those situations and say to company A: You distribute $100,000; to company B: We will take a different view of your case; you will distribute $20,000; to company C: We will not ask you to distribute anything. That situation, sir, is fraught with great danger of abuse, and I do urge that a statement should be made on the part of the government reassuring those who are concerned in this matter in all parts of the country that there is to be no wielding of the big stick; that the administration of the taxation statutes of this country is going to be fair and equitable, and that no attempt is going to be made to use powers that are capable of discrimination in this fashion.

I now turn to one other subject which the parliamentary assistant raised in his introductory statement on this resolution. He said it is not the policy of the government to tax capital gains. Then he went on, as I understood him, to suggest that in some respects the tax on income today can be regarded as, in fact, a tax on capital gains.

I should like to say a word or two on that subject. Again a feeling of grave disquiet has been created throughout the country on this subject of the taxation of capital gains, and this feeling stems directly from an authoritative interpretation placed upon the Income War Tax Act by the courts of this country. In his budget speech, as reported at page 1217, the Minister of Finance said:

> During the past year there has been considerable uncertainty in the mining industry with regard to the position of prospectors and those who are engaged in developing our mineral resources. From the early forties onward, it has been the practice to interpret the law as not subjecting to tax gains made by bona fide prospectors and developers in discovering and proving up mining properties. As the house knows, our Income Tax Act was completely rewritten, and the new act has been in force since the beginning of 1949. The new act contains no clear-cut authority for the practice which has been followed during the past decade. The position under the law of these important groups should be clarified, and we are proposing this year to introduce an amendment which should allay the fears of many who have in recent months been concerned about this matter.

I believe the reference there is probably to resolution No. 3. Then the minister continued:

> Perhaps I might also take this opportunity, in view of recent public interest in the question, to assure the house that it is not the policy of the government to tax capital gains. Under any income tax law there is always a very difficult problem in drawing a line between gains which are profits from carrying on a trade or business and those which are not. To my knowledge no tax legislation has ever been passed in any country that has removed all doubts on this score. In England, where our basis of income tax had its origin, the matter has been settled almost entirely by the courts, taking into account the facts in each individual case.

Then the minister adds these significant words:

> Much as I would like to introduce greater certainty, I do not believe that it can be done satisfactorily by legislation.

Then he proceeds, in effect, to put forward his panacea for this problem of disquiet in the public mind by saying that provision is being made for the more expeditious hearing of cases before the income tax appeal board, and permitting taxpayers in such cases to go directly to the exchequer court, if they so desire.

It will take more than the statement of the minister on that occasion or that of the parliamentary assistant today to allay the very grave fears and disquiet created in the mind of the public by recent authoritative decisions as to the meaning of certain expressions in the Income Tax Act. It comes down to this, that what have been regarded by the public as capital gains have been interpreted in a strict sense by the courts as not constituting capital gains but being, in effect, income. Therefore they have been made subject to tax.

In a technical sense the Minister of Finance may be quite right in saying that it is not government policy to tax capital gains. He might be quite right in a technical sense if he were to say, as the Minister of National Revenue said to me about a month ago in reply to a question I asked him when the orders of the day were called, that the government is not taxing capital gains—because the Minister of National Revenue did make that statement in the house. While it may be right in a technical sense, it is not right in the sense in which that expression has come to be understood by the public. That, it seems to me, is the feature of the situation which cannot be overlooked or sidestepped by the government.

The fact of the matter is that gains which have been regarded by people in the mining industry, those engaged in the development of that industry, and also by people in business generally, as being gains in the nature of capital, have now come as a result of certain decisions—one in particular—to be regarded as income by judicial interpretation of the Income War Tax Act.

Mr. Benidickson: I wonder if the hon. member would give the facts of the case to which he has referred?

Mr. Fleming: Yes, I intend to refer to that case, and I would hope that my hon. friend, whose constituency is interested in the development of mining, would have something to say about the case. The decision to which I am about to refer is one which has struck a serious blow, according to my understanding of the situation, at the development of the mining industry in Ontario and in other parts of Canada.

Mr. Sinclair: On a point of order, it would seem to me that we are now discussing resolution No. 3 instead of No. 2. I had hoped this matter would be raised, but I would suggest that the hon. member should continue his remarks on the third resolution which deals with the subject he is raising. In this way we would proceed in a more orderly fashion.

Mr. Fleming: If there is any disorder in the way we are going about it, then it has been due to the parliamentary assistant. I had expected to raise this matter on resolution 3, if my understanding of the relationship between the remarks of the minister, as they appear at page 1217, and the resolution is correct. But it will be remembered that it was the parliamentary assistant who, in introducing resolution No. 2, undertook to deliver himself of a statement about capital gains, and it is this question of capital gains I am discussing.

While I am anxious to contribute as best I can to orderly discussion, it seems to me that the parliamentary assistant having raised the question broadly this would be the proper time for me to continue my remarks. I am half-way through them now.

Mr. Sinclair: I did mention capital gains, but only in relation to this matter of the undistributed income of these private companies. The point to which the hon. member is now referring, where he deals with mining development, is clearly covered by resolution No. 3. If the hon. member wishes to discuss resolution No. 2, and the point as to whether this surplus is to be regarded as a capital gain, as he suggested in the early part of his remarks—and in that he was in order—well and good; but as for making a general speech on the subject, I suggest it should be made on resolution No. 3.

The Chairman: Shall the resolution carry, and the hon. member continue his speech on the next resolution?

Mr. Fleming: No. May I dispel the erroneous impression left by the parliamentary assistant when he says that I have been dealing with the question of capital gains as applied to mining. I was not confining my remarks to that at all, but rather to the taxation of capital gains in general. I was proceeding to cite a particular case which has to do with a tax of a gain from the development of a mining property, and was doing this by way of illustration of the very great harm that can be done, not simply by the taxation of capital gains in the strict sense of the word, but by completely upsetting the understanding of the public in regard to what is a capital gain.

In view of the breadth of the subject I suggest the discussion ought not to be confined simply to the terms of the third resolution. Having gone thus far in my remarks I cannot help thinking that it would be more orderly to continue the discussion of the subject at this time, and that we would probably save time in the end by doing so.

Mr. Sinclair: Very well, go ahead.

Mr. Fleming: I am anxious to contribute to the orderly discussion of the subject.

Mr. Sinclair: All right.

Mr. Fleming: The case to which I referred is the recent decision in the Exchequer Court of Canada in the case of W. J. McDonough *v.* the Minister of National Revenue. That was a decision by Mr. Justice Cameron and I think it is one which any hon. member would wish to treat with high respect. At the same time I submit that having regard to the very unfortunate effect that this decision has had on investment in—

Mr. Sinclair: Once again I am informed—I am speaking as a layman—that this case has been appealed to the supreme court, so when my hon. friend says that the decision is most unfortunate I submit that he is out of order.

The Chairman: If the case is being appealed to the supreme court it would be sub judice.

Mr. Fleming: The parliamentary assistant began this afternoon by disclaiming any knowledge of the legal aspects of these resolutions or any intention of discussing them from that point of view. I am not proposing to discuss whether this decision was right or wrong; I accept the decision as it stands. I am simply dealing with the effect of the decision on the mind of the public. I am not undertaking to say whether the decision is right or wrong. I just finished saying that I treat the decision of Mr. Justice Cameron in the exchequer court with the utmost respect.

Mr. Adamson: The department is acting as though it were correct.

Mr. Fleming: It is not my province in this house to quarrel with that decision, to argue whether it is or is not correct. It is not from that point of view that I approach the decision. The basis on which I do approach it is the qualifying words in the passage I read from the speech made by the Minister of Finance in this house on March 28 when he said this:

> Much as I would like to introduce greater certainty, I do not believe that it can be done satisfactorily by legislation.

[Mr. Fleming.]

We who are sitting here as a parliament must take account of situations that are created as a result of decisions delivered in the courts. Having regard to the situation created by this decision we must ask ourselves whether that decision ought or ought not to be redressed in this parliament by legislation. My argument is that it ought to be redressed by legislation. Wherever there is a situation at all comparable with that which was before the court in the McDonough case then I submit that parliament must take cognizance of it and by legislation remove the grounds that have given rise to a feeling in the mind of the public that we have entered a period where capital gains are being taxed, a reversal of the understanding in the past of the business and mining communities as to the basis of taxation of gains.

I think it is quite clear that what I have to say does not trespass in any respect on the rule followed in the house in connection with the correctness or incorrectness of matters before the courts or under appeal. In this case the taxpayer who was appealing had received some stock in a company in consideration of having conveyed to that company an interest in certain mining properties. When he came to realize on part of his stock the government stepped in and proposed to tax him upon it.

Mr. Sinclair: Which part of the stock? That is the key of the whole thing.

Mr. Fleming: If my hon. friend wants me to go into this in great detail I shall be happy to do so. Up until this moment he has been trying to confine me in my approach to this question.

Mr. Sinclair: My hon. friend referred to the decision as being an unfortunate decision. I may not be well versed in the law but I should think that when there is an appeal to the supreme court the fact that a member of parliament of the high standing of my hon. friend has referred publicly in a place where he is privileged to the decision as being an unfortunate decision could not help but affect the standing of the case before the court. Then when he comes to the actual case he does not go into it thoroughly. There were two blocks of stock, the stock the taxpayer actually got for his claim and the stock on which he had an option.

Mr. Fleming: Is the parliamentary assistant trying to make my speech?

Mr. Sinclair: It would be a better speech if I did.

Mr. Fleming: The parliamentary assistant attempts to stop me at one point from discussing the case and then in the next breath says that I should go into it further.

Mr. Sinclair: Go into it accurately if you have to go into it at all.

The Chairman: I do not think it is in order to discuss a case that is under appeal to the supreme court because it would be sub judice. It is difficult for the hon. member to discuss that case without affecting the judgment and I think it would be much better not to discuss it.

Mr. Fleming: I respect fully what you have said and your feelings in relation to it, but notwithstanding the difficulty which the parliamentary assistant has sought to create I wish to make perfectly clear what I am proposing to do. I shall be quite glad to go into the facts of the case in great detail, or to refrain from doing so, according to your direction. What I wish to put before the committee is an interpretation of the law and I can do that without further reference to the facts of the case. I urge upon the committee that the situation is such that it calls for an amendment of the act. That leaves me in the position in which I started. I am not attempting to quarrel with the decision, to argue that it is right or wrong. When I spoke of its unfortunate effect I was referring to the feeling of disquiet and fear that it has created in the mind of the public. Referring to certain authorities, the court said this:

> But the mere fact that a transaction is an isolated one does not exclude it from the category of trading or business transactions of such a nature as to attract income tax to the profit therefrom.

I pass over any reference to the application of that rule to the facts before the court in view of what you have said. Reference is made in this judgment to a statement of the law in another case of which I think parliament ought to take note. It is this:

> It is quite a well-settled principle in dealing with questions of assessment of income tax, that where the owner of an ordinary investment chooses to realize it, and obtains a greater price for it than he originally acquired it at, the enhanced price is not profit in the sense of schedule D of the Income Tax Act of 1942 assessable to income tax. But it is equally well established that enhanced values obtained from realization or conversion of securities may be so assessable, where what is done is not merely a realization or change of investment, but an act done in what is truly the carrying on, or carrying out, of a business. The simplest case is that of a person or association of persons buying and selling lands or securities speculatively, in order to make gain, dealing in such investments as a business, and thereby seeking to make profits. There are many companies which in their very inception are formed for such a purpose, and in these cases it is not doubtful that, where they make a gain by a realization, the gain they make is liable to be assessed for income tax.

I say with some degree of confidence that it has been the understanding of the business and mining communities that gains made on individual transactions in the development of mining properties or the realization of assets, gains from such transactions which are not carried on by traders or people whose business it is to engage in that kind of transaction, were not considered as income gains but as capital gains and therefore not taxable. I contend that the alarm created in the public mind is so serious that its remedy cannot be confined to the limited type of legislation envisaged in the third resolution. I submit that what is required is broader legislation in order to make it quite clear that the investing public, the public engaged in the development of resources, may be able to depend upon a continued application of the law according to the understanding that has prevailed for a good many years. In view of the fact that a decision has been made in the exchequer court to the contrary, that will now require legislation. As I understand it the third resolution offers some legislation, but it does not cover the whole field.

The subject of taxation of capital gains is one that can have the most widespread and unfortunate results, not simply if capital gains are in fact being taxed but even if there is in the mind of the public an apprehension that capital gains are or are about to be taxed. Therefore I urge that this subject be approached broadly in view of the way in which it has arisen and the fear in the mind of the public, and that we have ample legislation now to remove all fear and apprehension as to the result.

Mr. Thatcher: I rise to ask a question. I should like to say first that when the hon. member for Eglinton started to speak I thought I could agree with him almost completely. After his talk for forty-five minutes or thereabouts and going around the matter so much I am so mixed up I do not know whether I can or whether I cannot. When he said that people are concerned about undistributed profits, capital gains, or whatever you want to call them, he certainly hit the mark because it is a matter about which there is considerable concern throughout the country. I have read the resolution as many times as I think necessary and I am still not clear about it. It is still ambiguous even after the explanation of the parliamentary assistant. The clause seems to me to be important, not for what is offered but rather for what it threatens to do in the future. I still cannot see what a private businessman would gain by taking advantage of the provision unless at some time in the future the government is going to tax his undistributed income. The parliamentary assistant stated this afternoon

it would allow a businessman to plow back profits. I cannot see that at all. He might as well keep his profits in surplus as have them tied up in capital. What advantage is there? Therefore I say again that I wish the parliamentary assistant would tell the businessmen of Canada in a nutshell how on earth they benefit from this clause. I cannot understand it.

Mr. Sinclair: Mr. Chairman, unlike the hon. member for Moose Jaw I kept notes of what the hon. member for Eglinton spoke about, and therefore I have the various headings of his remarks. First of all he raised the question of the difference in terminology, that I had referred to private companies and the minister had talked about closely held companies. The actual position will be spelled out in the legislation as to those companies with seventy-five or less shareholders.

Mr. Fleming: Will it be confined to private companies of that nature?

Mr. Sinclair: That is the definition of a private company so far as this legislation is concerned. So far as this section is concerned, the definition of a private company will be one with seventy-five shareholders or less.

Mr. Fleming: May I ask by way of clarification whether the expression "private company" will be interpreted here as it is used in the Companies Act?

Mr. Sinclair: No.

Mr. Fleming: That is the point. The expression "private company" has a very definite significance both under statute and in the business world.

Mr. Sinclair: So far as this section is concerned, it will be spelled out just as carefully as it is spelled out today in part XVIII, section 94 as to what it relates to so far as the taxation proposals in this section are concerned.

Mr. Fleming: Do I rightly understand the hon. gentleman to say that this provision will not be confined to private companies as that expression is defined in the Companies Act?

Mr. Sinclair: I will answer in this way. It will be confined to private companies as specified in section 94 of the Income War Tax Act. Once again, a private company for purposes of this act is one with seventy-five or less shareholders.

Mr. Fleming: It can include companies which are not private companies under the Companies Act but which have only seventy-five shareholders?

Mr. Sinclair: Quite right. It gets down to the other expression, "closely held".

[Mr. Thatcher.]

Mr. Fleming: It would have been better to use that expression because the expression "private company" suggests something quite different.

Mr. Sinclair: Turning to the next point, I want to speak with as much heat as he did when he read an unmentioned press clipping.

Mr. Fleming: I said it was a Canadian Press dispatch. It appeared in a number of papers, and I gave the date of it.

Mr. Sinclair: He quoted this government spokesman. When the government wants a spokesman the spokesman is identified by name. If there is going to be an announcement of policy the Minister of Finance or someone authorized by him will make it. I know the hon. member does not want to distort things. Having started off by describing it as a press release by an unmentioned government spokesman he then called it a government release. It was not a government release. Government announcements of policy will come from the Minister of Finance.

Turning to the hon. member for Moose Jaw, I will try to explain the matter by saying that if you want to be academic then the purchase of some small article by a grocer for 30 cents today and the sale tomorrow for 40 cents is a capital gain. On the other extreme is the example of a member of parliament who comes here at the beginning of a session and buys a house for $15,000. Four years later, because of reasons which the electorate think sufficient, he may have to dispose of his house and he sells it for $20,000. That is the other extreme of a capital gain. Without any doubt that capital gain is not taxable, but the actual income which comes from the daily or weekly buying and selling of goods and chattels, which is the business of the man, is certainly not a capital gain as the people of Canada understand capital gain. In between those two comes the borderline case, and the whole question can only be determined by the courts on the facts as to where that borderline occurs, whether or not a man is engaged in it as a business or whether it was an incidental investment.

Proceeding further, I will not touch on mining now but will deal with it when the next resolution is before the committee. As fairly as possible I tried to portray the difficulty which perfectly respectable private companies find themselves in when it comes to winding up. If they have accumulated a large surplus and do not know what to do with it there is nothing at any time which prevents them from paying dividends out of that surplus. They can do that at any time, and it is their problem. I want to refer now

to another class of private companies, fortunately very small and generally tightly held, which for their own selfish reasons decided during the war, when personal income tax was very high, to pour out just as little as possible in the way of dividends which would of course then be subject to personal income tax. They decided to hold the money back in a reserve in the hope that after the war personal income tax rates would be lower, and then they would pump it out as dividends. Fortunately that has happened very seldom in this country.

Power was given not to the Minister of Finance but to the Minister of National Revenue under section 9 (6) to take action in such cases. Even after a warning was given such companies had the right to state their case. I believe that so far action has been taken in only six cases. As hon. members who follow this type of legislation will realize, after subsection 2 of the resolution is implemented there will have to be substantial changes in the entire section 9 which of course will be apparent to members when they get the bill on first reading. We are not thinking in terms of companies which pile up profits to evade personal income tax but of private companies who have the problem, which I tried to describe in clear terms, of having to accumulate working capital. There is the problem of what they are going to do in the case of involuntary winding up. The hon. member for Moose Jaw, who knows the problems of private companies, says he cannot see any real advantage in this today. All it does is give these companies an opportunity to put themselves in shape against a forced winding up. For example, if tonight while crossing Wellington street on the way home the hon. member were knocked down, I am quite sure his company would be better able to meet the tax on whatever undistributed income his company may have if he chose to take advantage of this resolution—

Mr. Knowles: Take advantage of being knocked down?

Mr. Sinclair:—because, having paid this 15 per cent on the undistributed income, the company could be satisfactorily wound up if necessary because of reasons beyond its control, or even within its control.

Mr. Thatcher: Then would the parliamentary assistant state categorically that it is not the intention of the government at an early date in future to force companies to get rid of their undistributed profits or surplus?

Mr. Sinclair: I am not the minister, though I am very flattered by all these references; and since I am only the parliamentary assistant all I can say is that what the government is doing today is giving these deserving companies who are in this position an opportunity to put their house in order if they wish to do so. No punitive action is being taken. They can do it if they wish, but they do not have to do it.

Mr. Thatcher: Why would they do it? The parliamentary assistant still will not say that in the mind of the Department of Finance, or whoever it is, there is not the idea that they will give us a year to get our house in order and at the end of that time, if we have not done it, we are likely to have undistributed profits taxed substantially.

Mr. Sinclair: I think the hon. member is confusing the report of the Ives commission with this resolution. There is no limit of one year here.

Mr. Thatcher: All I am asking is whether the government is getting ready to do something next year.

Mr. Sinclair: My hon. friend is asking me what is going to be in the budget next year. Hon. members know that even a week before the budget is presented people ask the minister the same question and one can only give them the bland assurance that these matters are under consideration. I cannot tell what is going to be in the budget next year, but in view of the fact that there will be substantial changes in section 9 of the act because of this resolution I would suggest that hon. members wait until the bill is brought down. Then they will have at least a week to study the implications of this resolution with respect to section 9 as it now stands.

Mr. Gibson: Just to go a step further with the happy suggestion of the parliamentary assistant with respect to the hon. member for Moose Jaw, supposing he were knocked down tonight, could his trustees take advantage of this provision after his death?

Mr. Sinclair: The answer is that if he had just one trustee that would be possible. If he has more than seventy-five trustees it is without the confines of this resolution.

Mr. Gibson: But it would no longer be a private company then.

Mr. Jeffery: When the parliamentary assistant first spoke on this matter he compared this suggested action to the first Ives distribution. I see a considerable difference, in that this is not a distribution; it is a capitalization. I think it should be pointed out that this is not money that will be distributed to shareholders. Rather it is money that will be capitalized, and cannot be distributed.

Mr. Sinclair: The hon. member is quite correct in that observation.

Mr. Smith (Calgary West): Following the questions of the hon. member for Moose Jaw I want to ask the parliamentary assistant this question. You say this simply gives an opportunity to these honest, small companies to put their house in order. To put their house in order against what? Against what the government may do to them if they do do not take advantage of it? Is that what you mean?

Mr. Sinclair: No.

Mr. Smith (Calgary West): I think that is the only inference one can draw.

Mr. Sinclair: The answer is, to get their house in order against involuntary winding up under section 9(1). That is where the problem arises. That is the opportunity they have, if they want to do it. If they do not do this, on winding up the undistributed income is going to be taxed as income of that year and, depending upon the income of the shareholder, it may be taxed at a high rate.

Mr. Smith (Calgary West): Then we have it clearly that if one pays the 15 per cent now he is free of all further claims with respect to income tax against what may have been undistributed profits, which may have gone into working capital or elsewhere. If that is not done, however, the statement now is that the government will step in and in one year take this surplus, which probably has been accumulated over dozens of years, as profit in that year. Whether the parliamentary assistant realizes it or not, that is what he has just said. I can quite see the fears in the mind of the hon. member for Moose Jaw, that being so.

Mr. Sinclair: The hon. member realizes, of course, that this is the law right now, if a company has to be wound up. What we are trying to do by this resolution is what I attempted to explain in my opening remarks; that is, allow a beneficial option which a man can take but which he does not have to take unless he wishes. If he does take it, then on the winding up of his company he will not be faced with these further difficulties. That is why it is so important to private companies, because death does interfere with the plans of those companies. On winding up, then, they are free from this very heavy penalty under section 9(1) as a result of having the accumulation of years suddenly taxed as the income of one year. If they do not want to take advantage of this option, at least they cannot say they did not have the chance; and as the hon. member for Comox-Alberni pointed out, even then their trustee may take advantage of it.

[Mr. Jeffery.]

Mr. Smith (Calgary West): Let us say I started a little company, made a little money and put it back into machinery or other capital expenditures. Unless I take advantage of this provision, at the end of the road the government comes along and takes all my investment. It can easily amount to that. They could take everything I had invested in my company, though it was in the nature of capital assets which were purchased with earned money, such as machinery and so on. The government could step in and take it all if I did not pay this 15 per cent.

Mr. Sinclair: Not take it all; tax whatever it would amount to as income received in that year.

Mr. Smith (Calgary West): Let us assume the parliamentary assistant and I have $100,000 in a company. I would have to borrow my $50,000 from you, I know, but we will assume we have that much invested. Of that amount $75,000 is in assets of various kinds, buildings, land, machinery, movable assets and so on. On winding up we must pay income tax on the whole of that, though it is not realizable, and that means the end of the enterprise. That is a situation which may easily arise, is it not?

Mr. Sinclair: Let us make one real distinction. The $100,000 you are speaking of must be in the form of capital equipment acquired by plowing back profits which have not been declared as the personal income of those owning the company. That would not apply to the original capital, or to any further capital which was raised in other ways.

Mr. Smith (Calgary West): But the company has paid the corporation tax.

Mr. Thatcher: During the war years there were no personal taxes on these closely-held companies.

Mr. Sinclair: But that is the law as it now stands. Now we are at least giving them the opportunity of paying 15 per cent on that accumulation, if they wish to take advantage of it, which will relieve them of having that money regarded as income in the year of winding up.

Mr. Thatcher: The parliamentary assistant is getting us more mixed up as he goes along, and I would like to have this clear before we leave it. Perhaps I am a little more stupid than other hon. members; many may agree with that. Nevertheless I still do not understand the reasoning of the parliamentary assistant in the case of a person dying. If a person dies is it not simply a question of paying death duties, or whatever you call them? Could he not protect himself against

the eventuality that the parliamentary assistant has mentioned by having a substantial insurance policy? I would think that would be the easier way.

Mr. Sinclair: I quite agree that that is another way if anyone wants to do it. I may point out that if it is a large estate, then the succession duties would be much more than 15 per cent which he would have to pay to clear it in advance. That again is a matter of business choice for the private business concern. Today we are at least giving them some opportunity if they wish—there is nothing forced about it—to put their house in order without taking out insurance.

Mr. Thatcher: Is the parliamentary assistant suggesting that a man must first pay succession duties, and then pay income tax or whatever you want to call it on the surplus—.

Mr. Sinclair: No, I am wrong on that, it is income tax.

Mr. Thatcher: He has to pay income tax on his surplus then, on top of that, succession duties?

Mr. Smith (Calgary West): In other words, Mr. Chairman, a man can be very successful in his business while he is alive, but when he dies he may leave nothing but a cause for battle between the succession duty people and the income tax people?

Mr. Sinclair: Getting back to the hon. member's question, I unfortunately used the phrase "succession duties". The succession duties would have to be paid on the capital, but under section 9(1) of the act as at present that portion which goes to his estate in the form of undistributed income is regarded as income for that year, and would be subject to income tax according to the level of his income at the rates for that year, in exactly the same way as earned dividends.

Mr. Hatfield: All that he has built up over a period of years?

Mr. Sinclair: Yes, so today we are giving him this beneficial provision, so that rather than face up to that, he can put his house in order by paying the 15 per cent.

Mr. Thatcher: The successful way of dealing with this matter would be by repealing this section 9(1), if that is the case. In spite of all that the parliamentary assistant has said, it still looks to me as though next year the government is planning to bring in a tax on undistributed income if they take advantage of this 15 per cent clause. Nothing the parliamentary assistant has said has dispelled that fear.

Mr. Sinclair: I certainly do not intend to attempt to forecast what the government is going to do in its budget program a year from now. I would suggest that if we repealed section 9(1), then no company would ever pay any dividends. The dividends would be salted away, and then when a firm wound up all of that profit would be capital, and income tax payments would have been avoided.

Mr. Thatcher: They can be caught today without that clause.

Mr. Sinclair: As I tried to point out earlier, because of the points that have been mentioned by the member for Eglinton, the member for Moose Jaw and the member for London, it is quite obvious that there will be substantial changes in section 9 (1) when the bill is brought down.

Mr. Adamson: It seems to me that this is an entirely new principle and a dangerous one. A shareholder in a private company, that is a company with less than seventy-five shareholders, may own 15 per cent of the shares of the company. Throughout the years the company may be able to build up through profits an undistributed surplus of say $100,000. The company in its wisdom plans to use that $100,000 at some time in the future for a project it plans to undertake when the time is propitious. The shareholder owning 15 per cent of that company dies. Under this regulation the surplus in that company which was built up, or at least 15 per cent of it, is considered taxable in the year of death as income.

Surely, that is an entirely new principle. The shareholder has the option of paying 15 per cent of what he may expect the surplus in the company to be, or have his share of the undivided surplus regarded as income in the year of his death. Surely that is a new principle and a wrong principle. It is the principle of a capital gains tax written right into the act.

Mr. Sinclair: Once again I shall try to spell it out. This company has accumulated $100,000 as a surplus. If this company had paid out of its profits each year the full dividends, the shareholder receiving those each year would have paid personal income tax which begins at 15 per cent over exemption. However, for good reasons which I tried to outline, the company has accumulated the $100,000. Now, not under legislation proposed but under existing legislation passed by this parliament, section 9(1) of this act says that the $100,000, representing accumulated profits which have not been pumped out and have not been subject to personal income tax when spread around the shareholders, is taxable when the company is wound up.

Using this example, out of the dividend which is taxable as income, the shareholder's $15,000 would be taxable at income tax rates for his category. Let us suppose the company took advantage of this proposal and paid 15 per cent. The company would then have $85,000 to distribute tax free. That would be his, instead of having to pay at his personal income tax rate on the $15,000. In that case it is obviously beneficial to that man if his company takes advantage of this proposal.

Mr. Adamson: But that is in the case of a company being wound up. I am speaking of the case of the death of a minority shareholder while the company is still in business and proposes to carry on business. It has $100,000 of a surplus, and the man who dies has 15 per cent of the stock. His stock is sold, and it appears to me that under this proposal his estate would be liable. I am glad to see the minister shaking his head. It seems to me his estate would be liable under this clause for the tax on the surplus, whether or not it had been distributed.

Mr. Sinclair: I pointed out that the application of this clause is on the winding up of a company. If the stock of the shareholder who dies can be sold, he is in exactly the same position as the shareholder of a public company who can sell stock. The normal processes continue after that. It is only because of the special financial problems in these closely held companies, when the principal shareholder dies and the company has to be wound up, that this clause is needed. If the ordinary shareholder dies and his stock can be sold, then the position is no different from one who holds stock in a large corporation whose shares have a market value. This section is only applicable on the winding up which is a problem that arises principally because of the death of the one who holds controlling interest in a small company. Then, not only the heirs of the person who died, but the persons who are left in the company, are forced to accept this distribution as soon as the company has been wound up. I think you have followed the illustration I gave. It is obviously to the advantage of the shareholder, in the example the hon. member put forward, to have this tax paid, but there again it is a matter of choice.

Mr. Hodgson: I should like to ask a question. It may not be in order. If it is not in order the parliamentary assistant may say so. Suppose an individual, or a private company, bought a block of land and timber. He does not take a timber lease; he buys the land and all. Of course he buys it on the instalment basis and pays so much each year. It takes every dollar he can make and scrape together to make his payments, which he must show as income. He pays income tax on it every year until he has probably 75 per cent or 80 per cent of the timber cut off, on which he has also paid income tax. He still holds the land and a certain amount of timber that he could take off if he wishes, which would pay for the land. On this land he has some lake property. He wishes to develop that lake-shore property and sell it for lots, but not individual lots. Does he have to pay income tax on the return from that land?

Mr. Sinclair: If the hon. member's case comes down to this— I find it quite difficult to follow it through—if he has bought a block of land for timber purposes, and part of it he later sold, that would be an ordinary capital gain and would not be subject to tax. If on the other hand he is a real estate promotor and does that all the time, then his income from that in that year is going to be taxable as income.

Mr. Thatcher: Just one other question to sum this thing up. I want to make sure that I clearly understand it. Do I take it that resolution 2 is an insurance policy which a man can buy for 15 per cent of his surplus and protect his family from a much larger tax in case he dies? Is that all it is?

Mr. Sinclair: That is pretty well the intent of this bill. That accurately sums it up. Once having paid the tax he has this tax-paid surplus, as far as the winding up is concerned, when this undistributed income is going to be distributed among the shareholders.

Mr. Thatcher: Will the parliamentary assistant state whether the treasury board discussed it at meetings which he attended? Did they discuss whether or not, if businessmen did not put their house in order, as he suggested, this year, next year there would be a substantial change in the budget?

Mr. Sinclair: To begin with, I am not a member of treasury board.

Mr. Thatcher: But you attend its meetings.

Mr. Sinclair: I occasionally attend. Whether I attend or not, there is obviously a pledge of secrecy as to what goes on there, so I could not tell the hon. member in any case. Getting back once again to the question, nobody here is able to forecast what is to be in the budget a year from now. That is why, as hon. members all know, there is intense interest in the budget. Anyway, all I can say is that this is the program of the government, and when the bill is brought down and the hon. member gives his usual studious care to section 9 he

will find the appropriate changes being made to accommodate this resolution with the present section 9 of the Income Tax Act.

Mr. Fleming: There is one remark that the parliamentary assistant made a few moments ago that calls for some comment. It will be remembered that when I was speaking earlier I read a Canadian Press dispatch, giving the date of it, and mentioning that it appeared in a number of Canadian newspapers, in which extended remarks were attributed to a so-called "government spokesman." That expression appeared in the press article several times. I invited the parliamentary assistant, or someone speaking on behalf of the government, to disclaim any policy of the kind that was announced in the article. In his reply the parliamentary assistant began first of all by accusing me of quoting something without disclosing the source. Apparently he had quite overlooked that I had said that it was a Canadian Press dispatch, and appeared under a Canadian Press byline. I gave the date and mentioned that it appeared in various Canadian newspapers. In addition to that, without actually making the kind of statement that I invited him or someone speaking for the government to make, indicating to us that the kind of policy outlined in that article was not and is not government policy, he chose to berate any who would suggest that articles appearing in that form, attributed to a so-called "government spokesman," were in fact a form of government release, and said that when government releases were to be made they would be made by ministers, and they would make statements. I do not propose to let that remark pass unchallenged, sir, because every member in this house knows perfectly well that when the government wishes to pass out some publicity, to make a statement without committing itself too far to it, or to fly a trial balloon, they simply put out, through one of their multitude of publicity men in the various departments, one of these statements to the press, and the remarks are attributed to a government spokesman.

You had a very good example this afternoon, sir, of just the way in which the government abuses this method of publicity.

Mr. Fournier (Hull): That is what you think.

Mr. Fleming: That is what I am telling the minister; and if the article I read this afternoon does not reflect government policy, sir, then I invite the Minister of Public Works to rise in his place and say right now that that article does not represent government policy and never did. Second, I invite the minister—

Mr. Fournier (Hull): The only answer I can give—

Mr. Fleming: —to say that that article—

Mr. Fournier (Hull): You would not stop for an answer.

Mr. Fleming: I will give the minister ample opportunity in a minute, Mr. Chairman. Second, I invite him to say that that article, ascribed to a government spokesman, was not in fact authorized by any government department or any government official who had power and authority to issue such a statement. If he will do that I shall have some other interesting questions to ask him, either now or on another occasion.

The minister knows perfectly well, sir, and every hon. member knows perfectly well, the way in which the government abuses this practice. If they get something which they think is good—

Mr. Fournier (Hull): It is all good.

Mr. Fleming:—which they think will be popular, then, of course, the minister will make the statement and will take the responsibility or credit for it. If they think it may not be so popular, if they want to test public opinion, then of course the statement is ascribed to "a government spokesman." I am making this point perfectly clear this afternoon. I am not going to debate this matter further. When the parliamentary assistant this afternoon undertakes to say that the statement reproduced by the Canadian Press, and ascribed to a so-called government spokesman, is not equivalent to a government release, then he is just flying in the face of the facts. As every hon. member knows perfectly well, the Canadian Press would not take that statement and publish it in this form unless it came from an accredited government source. If that is the way in which the government is using all these expenditures on publicity which we discussed recently, then I think it is high time—

Mr. Fournier (Hull): I hope we are not going to get away from what is under discussion. My hon. friend is just building up straw men by suggesting that when the government decides on a policy it needs someone else to announce it. I say to the hon. member that when the government decides on a policy there are enough ministers to make the announcement, and that is the way in which we proceed. If you will just keep to what is under discussion, and let the other questions that you have in mind come up in due course, they will be discussed.

Mr. Fleming: It is quite obvious that the minister was not in the house when the press dispatch was read.

Mr. Fournier (Hull): I am here quite often.

Mr. Fleming: I say this to the minister also: We are discussing the budget resolutions now.

Mr. Fournier (Hull): Which one?

Mr. Fleming: I was speaking a moment ago of subjects that were discussed in the budget debate, and which are properly before the committee now. If the minister had been in the house he would not attempt to suggest that this matter is not properly before the committee, because the parliamentary assistant has undertaken to challenge this particular press release as being something authorized on behalf of the government.

Now, sir, I am leaving the subject with this parting observation, that it is a pretty fair sample of the way the government plays fast and loose with publicity they put out; and we can ask ourselves at the proper time whether very heavy expenditures for government publicity in all departments are warranted at the expense of the Canadian taxpayers when we see this abuse made of such publicity on the part of the government.

Mr. Sinclair: I cannot let this pass unchallenged. The hon. member is very excited now, as he generally is when he gets worked up. He has left the inference that the Canadian Press was the publicity agent of the government. The government will make their announcements with regard to policy in due course, and the ministers will make the statements, as my minister did in the budget speech. But the hon. member is naïve when he makes the suggestion that a minister should get up and immediately deny any kite flown by the press, because—

Mr. Fournier (Hull): Or the opposition.

Mr. Sinclair: Or the opposition—they want to lead these hard-working gentlemen of the press up some blind alley and fly a kite, because they want to challenge the government to put out government policy in advance. Any statement of policy from the Department of Finance will come from the Minister of Finance, and he need not rely upon unauthorized government spokesmen in press dispatches.

Mr. Fleming: Will the parliamentary assistant answer this question simply—because I asked it when I first spoke, if he would say this, or if someone would—will he say that the press dispatch from which I read does not reflect government policy?

Some hon. Members: Oh, oh.

[Mr. Fournier (Hull).]

Mr. Sinclair: The hon. member must think I am more naïve than most people. I have just tried to explain—and I am sure other hon. members who were not all heated up were listening—that it would be an easy way to find out future government policy to have the press fly a kite, and then get up and demand that the government either deny or accept this press release.

Mr. Fleming: Supposing for the moment that we have done with the article. As an innocent member I am asking a simple question of the parliamentary assistant. I say, regardless of whether it was a government spokesman or not to whom this statement of policy is ascribed, will the parliamentary assistant answer a simple question, yes or no, as to whether the policy outlined in that article is or is not government policy? It is a simple question; a yes or no answer would be sufficient.

Mr. Sinclair: Government policy today, so far as taxation is concerned, is governed by the present Income Tax Act. When the new act is brought down the hon. member will be able to know what new government policy there is, so far as taxation is concerned.

Mr. Fleming: That is not an answer at all. To call that an answer would be just to insult the intelligence of a schoolboy. If the parliamentary assistant desires to make any progress, then I suggest that instead of ranting, as he has been doing, and thrashing the air with his arms he accept my invitation on that subject we were discussing as to forcing the distribution of corporate surpluses, to say whether that newspaper article—and he must be familiar with it by now—does or does not reflect government policy. It is so simple it could be answered yes or no.

I make it clear to the parliamentary assistant that I do not propose to be given the run-around on my question. It is a simple question, it is relevant to the subject under discussion, and if the parliamentary assistant wishes to give information and wishes to expedite the proceedings it will permit of his giving a very simple answer.

Mr. Sinclair: Mr. Chairman, once again, these resolutions are to give the intent, and either decrease or increase the tax, and the change in regulations which cover any changes in legislation. The present act provides, in section 9(6), that the minister, in his discretion, has this right, which has apparently been used six times. As to whether or not that right, which is not the sort of material covered by the resolution, will be changed, the hon. member will find out when the new act, with the new section 9, is brought down

for first reading. And when that first reading takes place will depend, of course, on how long the hon. member wishes to talk.

Mr. Fleming: The parliamentary assistant is dodging a simple question. We came here this afternoon prepared to be thoroughly co-operative and to obtain necessary information.

Some hon. Members: Oh, oh.

Mr. Fleming: Yes, we have been thoroughly co-operative. If the parliamentary assistant wishes to give the information, in reply to a simple question, then we will proceed very much more quickly than by having some hon. members opposite—and I sympathize with them, because they do not get a chance to do anything else—murmur in undertones. We will progress faster if the parliamentary assistant will give the information, which is of a very proper and relevant nature—and it is simple, quite simple. I have asked him what is government policy. We have had a statement as to what purports to be government policy. Surely in the face of that it would be competent for the parliamentary assistant to say yes or no, as to whether that is government policy. And if he does not know, then we shall accept a frank answer to that effect, and we shall ask the Minister of Finance—or the Minister of Public Works, who has undertaken to speak for the government on this occasion, I believe. We will ask him to give the information.

I am not going to pick and choose among the ministers. I would just as soon have the Minister of Public Works answer a financial question as any other minister—the Minister of Finance included. I am sure he knows as much about problems of finance in government as any government minister. So I should be very happy if the minister will answer my simple, straightforward, proper and relevant question—if, for the first time in his life, the parliamentary assistant is tongue-tied.

Mr. Adamson: I am always interested in any change or alteration in the English language. I think probably one of the functions of parliament is to call attention to any new usage. On behalf of the committee I should like to inform those who prepare Webster's dictionary that from now on "government spokesman" means "journalist's balloon".

Mr. Hatfield: In connection with a company which has built up a surplus of $100,000 over a period of years and decides to invest that money in an extension of plant: if I own 75 per cent of the stock of the company and die before the act comes into effect, what happens? Are my heirs assessed on the amount of that stock, that surplus, at 100 per cent?

Mr. Sinclair: In the case the hon. member has described, if on his death it were necessary for his heirs to take the money out of the company, then at present their share of the undistributed surplus—not the capital value—whether in money or plowed back into the assets, would be taxable under section 9(1) as income of the year. If this measure is passed he or his trustees have the option of getting that out tax-free by paying this 15 per cent—that is, tax-free, so far as income tax is concerned, on winding up. However, if the company is not wound up and goes on, there is no change.

Mr. Hatfield: Under that act you are forcing the company to sell the plant in which they have invested $100,000. If they have no other capital you are forcing the company out of business.

Mr. Sinclair: The hon. member has described exactly the situation which caused the request for this resolution, the purpose of which is to ameliorate that condition. It is quite true that if a company had put all its surplus into assets, and was forced to wind up, then on the death of one of the shareholders they were in that very difficult position. Today if they wish to they may put their house in order in the manner described by the hon. member for Moose Jaw, by paying what would be considered an insurance of 15 per cent on the undistributed income of the company.

Mr. Hatfield: Would it not be easier to repeal the present act?

Mr. Thatcher: If we are going that far, would it not be sensible to allow the estate, or the people who are the heirs, to take advantage of the provision and pay the 15 per cent, instead of lumping all income in one year? Is there anything unreasonable in that?

Mr. Gibson: He said that.

Mr. Hatfield: They should not be forced to sell the assets.

Mr. Sinclair: The hon. member will appreciate that there are two different personalities involved. It is not the individual who pays the 15 per cent on the surplus; it is the company. If for example the hon. member were to die, then before making distribution to his successors this 15 per cent could be paid by the company—even though he could not do it—on the company surplus. Then they could distribute it.

The Chairman: Shall the resolution carry?

Mr. Fleming: I ask the parliamentary assistant or, failing him, the Minister of Public Works, whether the Department of National Revenue in January of this year or since has stepped up its campaign to free large surpluses and of undistributed income that have accumulated in corporation treasuries?

Mr. Sinclair: The answer to that is, "No". Of course the hon. member can direct a question tomorrow to the Minister of National Revenue, not to the Minister of Public Works or to the parliamentary assistant to the Minister of Finance.

Mr. Fleming: The answer is, "No"?

Mr. Sinclair: No.

Mr. Knowles: Yes, the answer is no.

Mr. Sinclair: The answer is, no, it has not stepped up the campaign, if those were the words used, since February, to force the distribution of surpluses.

Mr. Fleming: Then this report is wrong?

Mr. Thatcher: Would it not be feasible when someone who owned the majority of the shares in a private company died for the remaining shareholders to take advantage of this 15 per cent clause? It seems to me that the heirs then would not be taxed this terrific amount in one year.

Mr. Sinclair: Perhaps I should let the hon. member for Comox-Alberni answer that because he asked that very question fifteen minutes ago and the answer was that it could be done.

Mr. Thatcher: What is the necessity of having this at all? You told us a while ago that this was an insurance policy.

Mr. Sinclair: There are two clauses to this resolution, it must be remembered.

Resolution agreed to.

3. That for the 1949 and subsequent taxation years, there shall not be included in computing income amounts received in consideration for mining properties, by prospectors who have prospected, explored or developed the properties, or by persons who have financed prospectors to do so, other than persons who carry on the business of dealing with the public in shares or securities or who dispose of the shares after carrying on a campaign to sell them to the public.

Mr. Fleming: I understood the parliamentary assistant was going to give some information about this resolution.

Mr. Sinclair: The intention of this resolution is to codify the practices of the department. Since 1940 under the Income War Tax Act the matters covered by this resolution were not regarded as income. We are now intending to spell them out in the act so they will be part of the act. I may say that the mining industry welcomes having these in the act.

[The Chairman.]

Mr. Fleming: I am quite sure the parliamentary assistant is right in saying that this has been welcomed by the mining industry. I think everybody would welcome this if it means what we have understood it to mean. It is a little surprising to find that the minister has found it possible to introduce such legislation after he said on March 28, as reported on page 1217 of *Hansard*:

Much as I would like to introduce greater certainty I do not believe that it can be done satisfactorily by legislation.

Those words were uttered largely in relation to this matter of taxing capital gains. The question arose from just such matters as fall within the ambit of this resolution. If the parliamentary assistant is right in saying that this resolution proposes to codify what has been the settled practice of the department since 1940, how does it happen that the Department of National Revenue took precisely the opposite position in 1949 in seeking to tax gains which under the settled practice he has referred to were always regarded as capital gains up until that time?

Mr. Sinclair: I think I have as close contact with the mining industry in my province as any of the British Columbia members. The general prospector and the mining company which is exploring and developing mining claims is covered by this. On the other hand, we have in Vancouver what we call the Pender Street mining men, and in Toronto I would call them the Bay Street operators. These people simply manipulate properties and buy and sell them in the same way that a real estate company would buy and sell real estate. Somewhere in between the two a dividing line must be drawn. My mail has been filled with expressions of appreciation from prospectors and the British Columbia mining industry, the people who are really doing the development work in British Columbia, that this is now going to be part of the law. On the other hand I have received, and no doubt other hon. members have also, letters from this mining promoter group that they should be included in this and that the gains they make from the buying and selling of stocks should not be regarded as income but as capital. The borderline or the dividing line will be most difficult to spell out, but the legislation when brought down will cover as much as possible and the borderline cases will be matters that may have to come before the courts.

Mr. Fleming: If it is possible to spell out legislation with respect to this particular case then it ought to be possible in a similar manner to enact legislation broad enough to meet other cases apart from mining. If the principle is sound that there should be no tax on capital gains or what the public has been accustomed to regard as capital gains in this instance, if it is possible to have a clear legislative enactment in this instance, then it ought to be possible to do it more broadly and enact a definition of income to make it quite clear that the benefits of the same sound proposals will be available to others.

Mr. Sinclair: The matter will be taken under consideration.

Resolution agreed to.

4. That special deductions from income to taxpayers whose principal business is the production, refining, or marketing of petroleum or petroleum products or the exploring or drilling for oil or natural gas or mining or exploring for minerals, be allowed for expenses incurred in the 1953 operations on the same basis as for expenses in the operations in the years 1949 to 1952.

Mr. Harkness: I presume this resolution covers the same deductions which have been allowed on a yearly basis in connection with special depletion and depreciation allowances?

Mr. Sinclair: That is correct.

Mr. Harkness: I cannot understand the reference that expenses incurred in the 1953 operations shall be allowed on the same basis as expenses in the operations in the years 1949 to 1952.

Mr. Sinclair: This resolution and the one following are on a year to year basis. Special consideration was given to these particular industries last year and we felt that the oil industry had expanded to the point where we could look a little further into the future. In order to help them we told them that the concession would be given for the next three years from 1949 to 1952. We are still going to give it for three years but we are advancing it one year more to 1953. In other words, we are continuing to give them a three-year assurance that this type of benefit is going to be available to them.

Mr. Harkness: I have urged the Minister of Finance for the past four or five years that this legislation should be put on a permanent basis. A move was made in that direction last year when it was put on a three-year basis. As I remember, last year the Minister of Finance said that consideration would be given before the next budget was brought down to putting this on a permanent basis.

Mr. Sinclair: Very detailed consideration was given to the request of the industry this spring. I can assure you that the department is most anxious to give the consideration due to this expanding industry.

Mr. Fair: There is one matter I should like to have cleared up although it is not directly connected with the resolution we are discussing. I refer to the depreciation rates allowed on farm machinery. I have been asked by some of my constituents to find out what could be done when a farmer made out his income tax return at the new rates without knowing that he had the privilege of using either the old rate or the new. Can he write to the district income tax office to have his return changed to the old rate?

Mr. Sinclair: Of course this is a matter for the Department of National Revenue, but I am assured by officials that he can file an amended return and have his rate changed back to the old rate.

Resolution agreed to.

5. That special deductions from income and taxes to taxpayers whose principal business is production, refining or marketing of petroleum or drilling for petroleum be allowed for expenses incurred in respect of deep-test oil wells in 1951 operations on the same basis as for similar expenses in 1950 operations.

Mr. Harkness: I understood the parliamentary assistant to say a minute ago—and I think it was probably a slip of the tongue—that the three-year provision had been extended to No. 5 as well as to No. 4. Of course that is not the case. I should like to ask why it was not extended to clause 5 which deals with the drilling of deep-test oil wells. This provision has been on a yearly basis for some eight years now. During that time there have been a considerable number of requests from oil men in Alberta that it should be put on a permanent basis. The situation as to deep-test wells is that you may start to drill a well this year and as you are going down, in many cases 10,000 or 11,000 feet, you run into difficulties of various kinds. Therefore it may take you a year and a half or more to complete the well. In fact in some cases it has taken more than two years to complete some of these wells. The yearly extension of this provision of course does not give protection to people in that situation. It would seem to me that placing this provision on a three-year basis is, if anything, more necessary than placing resolution 4 on a three-year basis.

Mr. Sinclair: As to the first question, it is the year in which the well is started. If a well is started in one year then they are protected in that year even if it should take a

year and a half to drill it. The second reason why it is limited is that such wells are few in number. I think there were only six last year, and the total number all told since the beginning of the legislation has only been forty-seven. They are very expensive wells, and it is a substantial concession.

In Alberta today of course we have greatly expanding production in the shallow fields. There is not the same necessity to have drilling of deep wells today in view of the trouble of getting the oil to market. For these reasons, since there was a small number of a special class in which the expense is very great, it was felt that this provision should be continued only on an annual basis with the understanding that any well started this year will be covered until completion. Last year I remember the hon. member for Comox-Alberni caught me out with a very simple question as to how deep a deep-test well is. I had taxation information but not information of that kind. I am prepared now, however. It is a well at least 7,000 feet deep which has been assessed by the department of mines as coming in this category. In the plains where the strata are flat it is 8,000, 9,000 or 10,000 feet, but in the foothills where the strata are on an angle, and where drilling is more difficult, they take them as low as 7,000 feet. It is a special concession given to a small group, and a group to which too much attention is not being paid today. Because of the great expansion in the shallow fields it remains on an annual basis.

Resolution agreed to.

6. That for the 1950 and subsequent taxation years, section 73 of the Income Tax Act, which imposes a tax on income from oil royalty rights held by a trustee as if the trustee was a corporation, be repealed.

Mr. Harkness: Will the parliamentary assistant explain what the purpose of this change is, what the income tax people are trying to get at?

Mr. Sinclair: The income tax people, believe it or not, are actually being helpful in this case. In the old act oil royalties, although they actually are partnerships, were deemed to be corporations and subject to corporation tax. Oil royalties are one of the ways in which Canadians can invest in this field today. Therefore we are now going to say by legislation that syndicates formed for oil royalties are no longer to be deemed to be corporations but to be treated as partnerships as in fact they actually are. Therefore the effect will be most helpful and will be most welcomed in the province of my hon. friend.

Mr. Harkness: If that is the case I am glad to see that it has been taken care of.

[Mr. Sinclair.]

Resolution agreed to.

7. That for the 1950 and subsequent taxation years, section 18 of the Income Tax Act, under which lease-option or hire purchase or like agreements relating to movable property are deemed to be agreements for sale and the payments to be purchase price and the purchaser to be the owner for purposes of depreciation, be extended to apply to all property except real or immovable property used in the business of farming.

Mr. Charlton: Will the minister explain this section?

Mr. Sinclair: This is a very interesting section. Again it is brought on by some of the problems of financing these days. I will use the example of a chain store which after all is in the business of buying and selling food. Some of them do not want their capital tied up unnecessarily in real estate, the property they have to buy and the parking space next door. Therefore the practice has developed of some of these institutions, such as chain stores or service stations, selling their properties for a capital sum to an insurance company and then leasing it back under an annual hire purchase agreement. For example, $100,000 is the value of the property. They pay $20,000 for five years, and at the end by a payment of a small sum, $1 or $100, they acquire the property. They may hope of course that the payment of $100,000 will be regarded as rent of the property and therefore deductible as an operating cost of doing business.

Of course that rate would be very much higher than the depreciation on a firm down the street owning a similar property and taking the ordinary depreciation allowed under the law. More than that, if the land is included in that they are actually in effect getting depreciation on land which of course is not allowed under ordinary depreciation schedules. Of course many of these deals are perfectly bona fide. The longer the term of the lease the more closely it approaches ordinary depreciation rates. The present act applies this principle to movable property. Now we are extending it a little further and applying it to immovable property as well, other than that used in farming.

Mr. Harkness: While I understand the explanation, I wonder why this clause has been put in at the end, "except real or immovable property used in the business of farming." Although this provision apparently was put in there to cover the chain stores people and so on, it would apply to everybody except farmers. Why are they specifically exempted?

Mr. Sinclair: I understand my hon. friend comes from a farming riding and I am a little surprised that he should raise that question. I believe he is a farmer himself.

Mr. Harkness: I am asking for an explanation.

Mr. Sinclair: One reason is that last year farmers were allowed to continue taking straight-line depreciation if they so wished. On the other hand, everybody else, other than farmers and fishermen, must take diminishing balance in which there is a recapture provision. That is one reason why farmers are excluded.

Mr. Jeffery: This section says that such agreements are deemed to be agreements for sale and the payments to be purchase price. In other words, in such contracts as are mentioned in this section no allowance is to be made for the deduction of any interest that may be involved in the payment?

Mr. Sinclair: Interest is regarded as a part of the purchase price in that the purchase price is spread over these periods.

Mr. Fleming: The parliamentary assistant has just raised a question about interest and has said that under these hire-purchase agreements interest is to be regarded in effect as a part of the purchase price. This situation has wider involvements and implications, and I think the committee should pause a moment to consider them.

In the Income Tax Act we have provision made for the deduction of interest on borrowed money used to earn the income of the taxpayer. To most people there should not be any difference between cases A and B. In case A the individual taxpayer, being possessed of a certain asset—it may be of the kind referred to in the resolution, the purchase of some equipment—in the course of his operations goes out, borrows money and pays interest on the money borrowed. In case A if the money is borrowed and used in the course of earning the income of the taxpayer then he will be allowed that interest by way of deduction as a business expense. But take the case of the taxpayer B who purchases some equipment, either under a hire-purchase agreement or subject to an existing encumbrance. Suppose he buys property, it may be either real or personal, subject to a first and second mortgage, or perhaps a third mortgage. If he simply assumes existing obligations and pays interest on those obligations, the taxing authorities of this country say they will not grant him any deduction in respect of his payment of interest on account of encumbrances existing when he bought the property.

That is an extraordinary situation, and I wish to express my regret that something has not been done in these resolutions to eliminate that anomaly, which is very discriminatory in its operations. An eminent writer on the subject of income tax asked this question recently in a well known publication:

> If a company buys a building for $100,000, assumes a $50,000 first mortgage and gives a $30,000 second mortgage, it has not borrowed the $50,000 nor the $30,000—

He is speaking now of the interpretation by our taxing authorities.

> —and, therefore, cannot charge the interest on these amounts as an expense.
>
> Or if a taxpayer agrees to pay $10,000 for a piece of plant, payable $1,000 down and $1,000 a month with interest, he cannot charge the interest as expense. Why? Because he did not borrow the money first and then pay off the $10,000 at once. If he had done so the interest would have been allowed.
>
> Must all the modern methods of buying assets be revised in order not to have the interest disallowed under this decision?

This very directly affects the farmer. Here is a situation that came to my attention not long ago. Attention is drawn here to an extraordinary tax situation under which a farmer who would purchase machinery and borrow money to pay for it is permitted to charge interest on the borrowed money as a business expense, while the farmer who buys machinery on deferred payments cannot deduct interest on the balance as a business expense; and the same thing applies to other purchases of capital goods.

The income tax appeal board has ruled that a man who bought a garage for $50,000, of which $10,000 was declared to be interest, should be refused permission to treat this as a business expense. If he had borrowed the money from some third party and purchased the garage for cash, he would have been entitled to treat the interest on the loan as a business expense.

That situation just reeks with anomaly. I do not think anyone could defend it as common sense. I must express regret that apparently nothing is proposed to meet that situation.

I refer to the decision in the McCool case by the Supreme Court of Canada last year. The full title is Minister of National Revenue *v.* T. E. McCool Limited, reported at 49 Canadian Tax Cases, page 395. In that case a situation of this kind came before the Supreme Court of Canada for interpretation; and what I have indicated in my remarks up to the moment is the interpretation that the Supreme Court of Canada placed upon section 5(1) of the Income War Tax Act, which in this respect is in terms similar to section 11(1)(c) of the Income Tax Act. In effect what the Supreme Court of Canada said in that case was that before the money regarded as being

an obligation upon the taxpayer would be treated as a loan under that section of the act, so that the amount paid by way of interest on the loan would be considered by the Department of National Revenue as a business expense, there must be a real loan and a real borrower. That is the language used in this report, and I am referring now to the judgment of Mr. Justice Kellock at page 407. Then Mr. Justice Kellock went on to say:

> Here there is nothing more than unpaid purchase money secured by a promissory note which, in my opinion, is insufficient.

In that case the encumbrance had existed prior to the purchase by the taxpayer, and he was not permitted to treat what he had to pay on that money by way of interest as an expense. Then Mr. Justice Kellock goes on to say:

> It is not sufficient to say that if the company had borrowed the amount of the note and paid McCool it would have been entitled to the deduction. However that may be, that was not done and the statute does not apply.

Then at page 413, after quoting the terms of section 5(1) (b) of the Income War Tax Act in relation to the interest on borrowed capital, Mr. Justice Estey said:

> Terms such as "borrowed capital" "borrowed money" in tax legislation have been interpreted to mean capital or money borrowed with a relationship of lender and borrower between the parties. It is necessary in determining whether that relationship exists to ascertain the true nature and character of the transaction. In this case the promissory note arises out of an exchange in which, as already detailed, the purchase price was paid by assuming outstanding obligations, a small payment of cash, allotment of capital stock and the execution and delivering of this promissory note. Under such circumstances it cannot be held that the relationship of lender and borrower in respect to this note exists between the respondent company and the payee of the note.

That decision has been followed in at least one other case since, the Rhinehorne case, recently decided in the exchequer court. This is a situation which I believe demands immediate redress. It offends the ordinary common sense of all people to say that if a man buys subject to existing obligations and as part of the purchase price assumes those obligations and agrees to pay interest on them, and after completing the purchase goes on to pay the interest, he shall not be entitled to regard that as interest on borrowed money and therefore as a business expense, while at the same time if that man made an outright purchase without assuming obligations or encumbrances, and borrowed capital afterwards for use in the course of his business, for the purpose of earning an income, the interest on that borrowed capital may be deducted from his income as a business expense.

[Mr. Fleming.]

Under those conditions I say it offends against common sense to say that in their result the two cases should be absolutely and diametrically opposite in the view of the taxing authorities. For the purposes of that taxpayer the situation to all intents and purposes is the same, but the result for taxation purposes is exactly the opposite. This is going to affect a great many farmers and businessmen in this country, and I urge that the matter should receive immediate attention by the government in order that remedial legislation may be brought down. The proper remedy, of course, is not to deny to the taxpayer in the latter case the right to regard that payment of interest as an expense. The proper remedy is to permit the taxpayer in the former case to treat the payment of interest on obligations he has assumed as an expense within the terms of section 5 of the Income War Tax Act, or section 11(1) (c) of the Income Tax Act.

Mr. Sinclair: The hon. member will be very glad to learn that the supreme court decision has been brought to the attention of the government and remedial legislation will be brought down in the bill that will be introduced.

Resolution agreed to.

Resolution 8 agreed to.

9. That individuals who were resident in Newfoundland on March 31, 1949, may, for the purposes of computing tax payable by them, elect to report their actual incomes for the whole year 1949 instead of that for the period after March 31, 1949, which is now adjusted to an amount that would correspond to this income for the whole year for the purpose of computing the tax.

Resolution agreed to.

CUSTOMS TARIFF

1. Resolved, that it is expedient to introduce a measure to amend the customs tariff, being chapter forty-four of the Revised Statutes of Canada, 1927, as amended, as follows:—

(a) By repealing subsection four of section five and substituting the following:—

"4. The said discount shall not apply in the case in which the duty does not exceed fifteen per centum ad valorem, or in the case of a specific duty or a specific and ad valorem duty combined in which the computed rate does not exceed fifteen per centum ad valorem, or where the rate of customs duty under the British preferential tariff is the same as the rate of customs duty under the most-favoured-nation tariff, or to goods admitted into Canada which have the benefit of reductions provided for in the Canada-West Indies trade agreement, 1926."

(b) By repealing section fourteen and substituting the following:—

"14. (1) The ad valorem rate of duty set forth in tariff item 84, 85, 87, 92, 94 or 95 in schedule A applies to goods specified in the item imported at any time except during a period in which an order of the minister under subsection two has applied the rate of specific duty set forth in the item in lieu of the ad valorem rate of duty in which case the rate of specific duty set forth in the item applies to goods imported during that period.

(2) The minister may order that the rate of specific duty set out in a tariff item mentioned in subsection one shall apply to goods specified in the item in lieu of the rate of ad valorem duty set forth therein for such period during each fiscal year as may be fixed by the minister not exceeding the number of weeks mentioned in the item: Provided, that, in the case of sub-items (b), (d), (e), (f), (g), or (i), of tariff item 87, the minister may order that the rate of specific duty shall apply during two separate periods in a fiscal year but the number of weeks in the two periods shall not exceed the number specified in that sub-item.

(3) The minister may exclude from an order made under subsection two, either at the time of making the order or at any time thereafter, goods to which the order would otherwise apply imported through ports in a specified region or part of Canada during the whole or any part of the period mentioned in the order in which case the ad valorem rate of duty applies to the goods so imported."

(c) By repealing subsection three of section sixteen and substituting the following:—

"16 (3) All such goods imported into Canada after the date of the coming into force of any such order of the governor in council which do not comply with the requirements of such order shall not be released from customs possession until they have been so marked, stamped, branded or labelled under customs supervision at the expense of the importer."

Mr. Thatcher: Is the parliamentary assistant going to make a statement regarding the situation at all? This resolution is rather ambiguous.

Mr. Sinclair: Mr. Chairman, I think most members appreciate the fact that these changes in the customs tariff are quite difficult to follow because, of necessity, they must refer in detail to the item numbers. These resolutions, all four of them, fall into three main categories. First, changes in the tariff brought about by reason of the Geneva and Annecy trade agreements; second, since the act was opened a great deal of cleaning up and removing of deadwood was undertaken; third, there is this section on wildlife which should be kept out of the country. I shall only have time to make a statement on the first resolution.

Section 5 of the customs tariff is amended to discontinue the discount of 10 per cent that applied to goods imported under the British preferential tariff direct into a sea, lake or river port of Canada, in regard to those products in which the British preferential rate is now the same as the most-favoured-nation rate. It must be kept in mind that this discount of 10 per cent, established in the budget of May 11, 1923, did not apply where the British preferential tariff was 15 per cent ad valorem or lower, and this discount never applied to imports of wines, malt liquors, spirits, spirituous liquors, liquid medicines, articles containing alcohol, sugar, tobacco, cigars and cigarettes.

Perhaps I should read the pertinent part of section 5. Subsection 4 of section 5 reads:

The said discount shall not apply in the case in which the duty does not exceed fifteen per centum ad valorem, or in the case of a specific duty or a specific and ad valorem duty combined in which the computed rate does not exceed fifteen per centum ad valorem, or to goods admitted into Canada which have the benefit of reductions provided for in the Canada-West Indies trade agreement, 1926.

During the negotiations at Geneva in 1947, it was claimed by a number of foreign countries that section 5 of the customs tariff was a hidden extension of our British preferential tariff system. The Canadian negotiators were strongly urged to discontinue the 10 per cent discount, and as a compromise it was ultimately agreed that the discount would not be continued on those items where the most-favoured-nation tariff was brought down to the level of the British preferential tariff. The actual effect of it is not very consequential. During the calendar year 1948, Canada's imports from all British countries of goods dutiable at rates exceeding 15 per cent ad valorem, with the same rate under both the British preferential and the most-favoured-nation tariffs, were valued at a little over $3,120,000. During that year our imports of dutiable and free goods from the British countries were valued at over $504 million, of which $182 million were dutiable and over $321 million were exempt from customs duties. I have here a list, it is not a very long list but it is too long to read, of the items which will be affected, that is those items on which the most-favoured-nation rates and the British preferential rates are now the same.

Mr. Green: Could you give us the principal ones, and then put the list on *Hansard*?

Mr. Adamson: I think the list might go on *Hansard*, Mr. Chairman.

Mr. Sinclair: There are only three principal items, which are as follows: manufactured brass, $330,000—that was the value of the British imports in this last year; cotton clothing, $2,298,000; mixed clothing $422,000. The list is not very long and most of the items are small, but perhaps it could go on *Hansard* and then members will have it when the bill comes up.

The Deputy Chairman: Has the hon. member leave to put the list on *Hansard*?

Some hon. Members: Agreed.

Mr. Sinclair: The list is as follows:

Imports from British empire countries during 1948 of goods dutiable at rates exceeding 15 per cent ad valorem but on which the rates were identical under both the B.P. and M.F.N. tariffs, the B.P. rate, however, having been subject to a 10 per cent discount

which no longer applies since the implementation in the budget of March 28, 1950, of an undertaking given by Canada at Geneva in 1947:

Tariff Item No.	Goods	Imports from British countries
45	Milk foods	$ 166
45a	Cereal foods, up to 25 lbs.	48
123(a)	Kippered herrings	7,904
325	Stained or ornamental glass windows	502
352	Manfs. of brass:	
	Hand pumps	279
	Valves	21,319
	Meters and parts	9,697
	Manfs. of brass, n.o.p.	288,049
	Copper	14,062
	Bells and gongs	10,102
	Rivets, burrs, etc.	1,990
362a	Metal parts, for loose-leaf binders	742
394(b)	Axles and axle bars, etc.	1,463
424a	Hand fire extinguishers, etc.	12,701
505a	Hardwood flooring, etc,	166
532	Cotton clothing:	
	Shirts, not knitted	126,332
	Cotton clothing, n.o.p.	209,715
	Women's and children's dresses	15,777
	Men's smocks and overalls	256
	Tray cloths, table cloths, etc.	860,306
	Quilts and counterpanes	128,552
	Sheets	68,848
	Towels	555,726
	Cotton mfrs., n.o.p.	158,761
	Wash cloths and bath mats	8,981
	Pillow cases	153,575
	Typewriter ribbons	11,142
548	Mixed textile mfs.:	
	Clothing, veg. fibres, n.o.p.	34,752
	Diapers, quilts, counterpanes, etc.	317
	Sheets, pillow cases, tablecloths, etc.	64,779
	Vegetable fibres, mfrs., n.o.p.	266,549
	Fabrics, coated	7,236
	Handkerchiefs of flax or hemp	48,973
553(1)	Cotton blankets	31,227
	Total	$3,120,994

Total imports during 1948 from British countries:

Dutiable	$182,964,319
Free	321,149,559
Total	$504,113,878

Total imports during 1948 from United Kingdom:

Dutiable	$134,786,720
Free	164,715,480
Total	$299,502,200

Mr. Thatcher: Mr. Chairman, I have some rather extended remarks to make on this customs tariff schedule. Since it is now two or three minutes to six, will the parliamentary assistant and the chairman agree to call it six o'clock?

Mr. Fournier (Hull): Before it is called six o'clock, Mr. Chairman, I see we have made some progress this afternoon and we may get through with these resolutions some time during the evening. Last night I announced we would take up resolution No. 3 on the order paper, that is the amendment to the Research Council Act to appoint one more vice-president; that is not very lengthy. Then, I announced we would take up the resolution of the Minister of Veterans Affairs. This is a continuation of that matter, and there have already been fifteen speakers, so I do not think that will take very long.

I would suggest, in all fairness to the house, that if we complete those things before eleven we have three small bills with which we might deal, and I shall name them. One is the act respecting the appointment of the auditors for the Canadian National Railways. The second is the bill to amend the Manitoba Boundaries Extension Act, 1912, and the Ontario Boundaries Extension Act. I understand both provinces have passed statutes concerning the boundary, and they need a bill here to approve those things. There is a third bill, No. 18 on today's order paper, an act to amend the Department of Transport Stores Act. I understand the purpose of the bill is to increase the revolving fund, and to find a way of declaring obsolete a portion of the stores that they have on hand.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at eight o'clock.

Mr. Thatcher: I want to make a few remarks on this resolution, but I should like to ask a question of the parliamentary assistant in order to make one point clear. Could he tell me why the Geneva agreements, which were formulated about three years ago, have not yet been passed by parliament? Is there a special reason why?

Mr. Sinclair: Not only have they not been passed by this parliament, but so far as I am aware no other parliament of the signatory countries has yet passed them. As hon. members know, the Geneva agreements have been continued by further discussions at Annecy, and are now going to be further discussed at Torquay this summer. What we are doing as fast as we can is implementing actually in our legislation the undertakings given at Geneva, and these amendment changes are almost entirely because of the Geneva trade agreements.

Mr. Thatcher: Mr. Chairman, in a general way, as far as these customs tariff amendments now before us are concerned, this group is disappointed that the government has not

seen fit at this time to proceed with further tariff reductions, particularly against British goods.

The parliamentary assistant and other hon. members will bear in mind that on numerous occasions over the past several years this group has asked in parliament that tariffs be lowered against British goods, so that the British might earn dollars to buy our merchandise, our farm products, and the like. I must say that I am getting just a little bit tired of listening to my goods friends in the Liberal party, in parliament and out of parliament, preach about the need for freer trade, for fewer restrictions, for lower tariffs, while they do so little about them.

The resolutions in front of us today are, in my opinion, a good example of that lack of action. For several years the Minister of Finance has argued in his budget speeches about the need for lower tariff barriers. And he has always admitted the need to help Britain sell more goods in this country. But every time he comes to parliament he has the same excuse for inaction. His reason for inaction last year is to be found at page 1801 of *Hansard*. He said:

> In view of the pending tariff negotiations at Annecy and other trade discussions which are envisaged, and in view also of the intention to introduce legislation at a later date to implement the general agreement on tariffs and trade, I am not proposing any tariff changes at the present time.

Well, a month or so later he brought down the Annecy agreements, but I am sure even the most ardent member of the government would not say that these were particularly significant changes. Then this year the minister had another reason for not doing very much about the tariff schedules, and I quote from his budget speech at page 1218 of *Hansard*:

> In view of the important tariff negotiations which are scheduled to commence in a few months' time—

He refers to Torquay.

> —the budget resolutions relating to the customs tariff which I am tabling contain very few changes.

I say this very respectfully. In my opinion the Minister of Finance is possibly one of the best exponents of double talk in this House of Commons. In his budget speech last year he said it was government policy to help British exporters regain their historic share of the Canadian market; and yet in his next breath he announced the reimposition of tariffs against British textiles. Look at his budget speech again this year. He went on for five or ten minutes at page 1218 of *Hansard*, if I remember correctly, to speak about the need of lowering tariffs. Yet on page 1219, a minute later, he announced an increase of 15 per cent in the tariff against British tinplate. I ask the parliamentary assistant to explain where there is consistency in these words. I ask him to give us more information as to why such a change was necessary.

Today, Mr. Chairman, two-thirds of Canadian exports are going to the United States. That fact is a cause for some satisfaction, but it is also a cause for considerable concern, because since the end of the war Canada has been seeing her usual and traditional markets in Britain, the commonwealth and Europe, shrink. The fact that we have been able to make up for these losses in the United States is probably an achievement. Yet at the same time we are subject to that old danger which often happens when we put all our eggs in one basket. It seems to me that this is what we are doing with our export trade today. The United States is by no means the most stable market in the world. Our past experience bears that out; because overnight, in the past, United States tariff changes have virtually wiped out our markets. An economic recession in the United States has had a similar effect. Therefore I say that since we are selling two-thirds of our exports in the United States we are vulnerable to several things—first, a change in the United States administration; second, a change in their tariff policy, and third, to economic conditions in the United States if they become worse. In view of the vulnerable position which I have pointed out, Mr. Chairman, I think that when the Canadian delegation goes to Torquay in a few months' time they must go there with that in mind.

I was interested in an article which appeared in the *Financial Post* about a week ago. It was written by Kenneth Wilson. I should like to quote it:

> A new battle over what's left of the empire preferential tariff system now looms for 1950-51 as 40 nations begin preparations for the full-dress trade negotiations scheduled for Torquay, England, next September.
>
> Canada has very few important preferences left to negotiate. But United Kingdom and empire preferences in the Canadian market are still substantial.
>
> These will be under heavy attack at Torquay, especially by European countries.

I am one who believes in freer trade, but I am also one who believes that we should guard these commonwealth preferential tariffs with a degree of care.

It seems to me that diverse markets are safer markets. Any action which would further increase our economic dependence upon the United States at this time is, in my view, to be viewed with concern. It is possible that the government may make a grievous mistake if it goes to Torquay and agrees to scrap commonwealth preference.

I think, Mr. Speaker, that Canada's No. 1 trade problem is still to regain our markets in Europe, to regain our commonwealth markets, to regain our markets in Britain. British leaders have told us repeatedly that there is only one way to do that, namely, to let them sell more in this country so that they can earn Canadian dollars. One of my criticisms of the customs tariff regulations which are now before us is that the government has been apathetic in this respect. The government has been lax in watching the British buyers gradually choked out of the Canadian market through their lack of dollars. If our main problem so far as tariffs is concerned is to get back some of these commonwealth markets, then I view with concern certain tendencies which seem to me to be prevalent in this country. Protectionists of various kinds seem to be more active. Not so long ago dumping duties were applied against certain Japanese textiles. I read in the newspapers that interests in British Columbia in the cement business are asking for dumping duties against Japanese cement. I heard this afternoon in the house, I believe it was the hon. member for Norfolk, ask for protection against strawberry pulp coming from Holland. These applications are bad enough, but there is one which should concern this house in particular. At page 1904 of *Hansard* I asked the Minister of National Revenue whether or not any application had been received for dumping duties against small English cars, and his answer was, "Yes." I then asked him what disposal had been made of such requests, and he answered, "The matter is under consideration." Mr. Chairman, I am amazed that a government which professes to believe in freer trade would consider for more than ten minutes such a high-handed request, because for several years our government has been urging British manufacturers to get their prices down and to become competitive, so that they can sell in this market. Apparently the British automobile manufacturers have been successful in doing that because they are able to bring their cars here, pay freight on them, pay sales tax and still compete.

Now, the automobile manufacturers, I presume, want dumping duty protection. I would remind the government of two things: first that Canadian cheap cars have roughly doubled in price since 1939, and secondly, that the Canadian automobile industry today has almost complete protection from American competition, (a) because of the tariff, (b) because of exchange differences and (c) because of import quotas. There is virtually no American competition, so far as Canadian cars are concerned.

Therefore I say that the request, whomever it is from, a short sighted, narrow-minded request made on the basis of self-interest. If Canadian automobiles are entitled to dumping duty protection, or to additional tariff protection, whichever you choose to call it, then every other industry in Canada in a similar position is entitled to the same protection.

Of course, if that protection were brought in, it is obvious what would happen to our trade with Great Britain. The whole proposition I say is absurd. If the Canadian automobile industry want to sell more cars in Canada, then let them get their prices down. Let them compete. I am sure the average Canadian consumer would welcome such a decrease in the cost of living.

Mr. Chairman, I refer to all pressure cases of this kind. I think they come at a most inopportune time—coming as they do a few months before the free nations of the world meet at Torquay to discuss eliminating trade restrictions and lowering tariffs generally. I think there are few things that would darken the prospects at Torquay as much as Canada's coming forward with further protectionist measures at this time.

This nation has to depend for its prosperity upon lower tariffs and upon fewer restrictions. To raise barriers just before an international effort to lower them would be, in my opinion, an act of economic folly. I hope the parliamentary assistant will give more information about these dumping duties. What is the policy of the government going to be in future? I wish he would give some assurance to the people of Canada that, so far as British automobiles are concerned, there is not going to be the imposition of any dumping duty.

In conclusion I wish to urge the government once again to translate some of its lofty words in the house and elsewhere about freer trade into some concrete action. Hon. members in this group realize, I think, as do members in other groups, that upon freer trade rests the best assurance for Canada to avoid a recession in the immediate future.

Mr. Wright: Before the parliamentary assistant replies I should like to second the comments of the hon. member for Moose Jaw with respect to these tariffs. There is just one further point I would bring to the attention of the committee, and that is a point which is brought out in the Auditor General's report. At page 11 we find in section 39 the heading, "Tariff items and customs drawback", and it states:

> The governor in council may, from time to time, and in the manner hereinafter provided, in addition to the other purposes and matters in this act mentioned, make regulations for or relating to the following purposes and matters:

(1) granting a drawback of the whole or part of the duty paid on articles which have been used in Canadian manufactures, or granting a certain specific sum in lieu of any such drawback.

And then at page 12 we find the Auditor General's comment with respect to P.C. 4793 passed by the governor in council on October 22, 1948—

—providing drawback of 99 per cent of customs duty paid on certain imported steel sheets, when used in the manufacture of stampings for automobiles.

Here we have a case where the government is giving a 99 per cent drawback to the manufacturers of automobiles in this country on certain types of steel being imported into Canada. At the same time the manufacturers come to the government asking for dumping duties on English cars, when they have American cars completely barred from the market. I am asking the parliamentary assistant what protection the buyers of cars have in this country. Who is getting the benefit of this 99 per cent drawback the manufacturer is getting on customs duties in connection with the steel used for the stampings going into the manufacture of cars in this country? It certainly is not the buyer, when we find that the same car, exactly, is selling for $400 or $500 more than it is in the United States, while at the same time the workman in the United States factory is receiving from 30 to 40 per cent more in wages than is the man doing the same work in the Canadian factory.

When the governor in council passed this order in council giving the drawback of this duty, what action was taken to see that that drawback is passed on to the Canadian consumer in the price of the goods the manufacturer makes out of the article on which he has received the drawback?

Mr. Sinclair: I shall deal first with the points raised by the hon. member for Moose Jaw. He has asked why we do not make further reduction in the British tariff at the present time. Under the Geneva trade agreements any reductions we now give the British we have also to give to all the other signatory nations. That is the basic principle of the entire Geneva agreement. We certainly are not going to do that until we have reciprocal concessions from them. That is another reason why we are not making any of these concessions before the meeting at Torquay. It is easy to ask these concessions for other countries, but I think industry in this country is also entitled to some reciprocal arrangement to assist them.

The next point, so far as the British tariff is concerned, is a most interesting one. The figures I gave earlier this afternoon show to what extent we have opened the door to the British. Last year our total imports from British countries were valued at $504 million of which $321 million, or over three-fifths, were exempt from customs duty. I think that is a pretty fair break, so far as the British market is concerned.

Then, the next point: so far as cars are concerned, British cars enter today free from customs duty. American cars are subject to—

Mr. Thatcher: But there is a sales tax.

Mr. Sinclair: And also a sales tax on Canadian cars. I do not think anyone would say that British cars should be sold in this country and not pay the same tax in that way as do Canadian cars. We put them all on the same footing in this country as our Canadian cars. American cars, on the other hand, pay a duty of 17 per cent on admission to Canada.

The next point he mentioned was that of tinplate. I should like to make a special reference to tinplate when discussing resolution 3. This is the only item since 1936 on which we have raised a tariff; and when the actual reasons are given, and when the figures are known, hon. members will realize how inconsequential it is.

Then there is the matter of the alarm raised by the hon. member because the government has given consideration to a proposal put forward by an industry in this country. I hope that day will never come when the government will not be willing to listen to the representations put forward by any industry, whether it accepts them or not. Of course the automobile industry, like every other industry in Canada—like the farmers in Canada and the fishermen in Canada—would naturally like to have special protection for their industry. When these requests are put forward the government has to give them full consideration and then, in due time, announce a policy with regard to them.

The last point was the one raised by the hon. member for Melfort with respect to this drawback on drawn steel used in the manufacture of stampings for automobiles. This item has been in the tariff since 1930, making provision for steel sheets, hot or cold rolled, or coated with lead or with lead and tin, ·064 inch to ·032 inch in thickness, 20 to 42 inches in width and 50 to 120 inches in length, if imported and used in the manufacture of stampings for automobiles, giving a 99 per cent drawback. The reason is that at that time we did not manufacture such sizes. The only change that has been made is made because of a difference in design. I am informed that because of the extra width of the present bumpers and fenders on the new cars these coated steel plates are now allowed

in from twenty to fifty inches rather than the previous widths of twenty to forty-two inches and fifty to one hundred inches. That is the only difference in a tariff item which has been in effect since 1930.

As far as these drawbacks are concerned, naturally when a drawback is allowed the saving should go on down to the consumer. If the drawback was not allowed then I imagine the consumer buying that car would have to pay for the duty as well. Apparently what caused the comment by the Auditor General was that the change to increase the width of the plates from forty-two to fifty inches to provide for the extra length of bumpers was done by order in council.

Mr. Thatcher: Can the parliamentary assistant state whether the government is still considering this question of dumping duties? They were considering it some weeks ago and I was wondering if any decision has been reached. Can the parliamentary assistant also tell the committee which company or companies made the request?

Mr. Sinclair: The request was made to the Minister of National Revenue, not to the Minister of Finance. I cannot give the hon. member any information at the moment. I am sure the Acting Minister of National Revenue will be glad to give him that information.

Mr. Wright: The parliamentary assistant did not answer my question very fully. He said that this drawback was permitted in 1913. At that time the United States cars were coming into Canada in competition with Canadian cars, but now the importation of United States cars is under certain restrictions. The government should see to it that when a drawback is permitted on materials going into Canadian cars the benefit should be passed on to the consumer. This drawback is not being passed on at the present time or our cars would not be costing from $400 to $500 more than United States cars.

Mr. Sinclair: There are two points to consider. If the sheets were available in Canada the item would not be there and, secondly, if this drawback was not paid I think you know what would happen. Today Canadian cars are in keen competition, and if we did not allow this drawback on goods not made in Canada then the cost of our cars would be raised up by that amount.

Mr. Thatcher: I understand that dumping duties are part of the customs tariff schedule. That being the case I do not understand why the parliamentary assistant should refuse to give the information I asked for a moment ago. If he cannot give it, I suppose we shall have to wait. Perhaps his adviser would be able to give this information.

Mr. Sinclair: The Minister of National Revenue said that the government is giving this matter consideration. This would be just one of the many briefs which the department receives during the year on taxation matters. When a decision is reached the hon. member will have an answer. Just because an application has been made by an industry for a tax reduction should not cause the hon. member to assume that it is going to be granted.

Mr. Thatcher: Are dumping duties not part of the customs tariff schedule?

Mr. Sinclair: The hon. member is quite correct, but this is a problem of administration by the Department of National Revenue. The items under discussion here represent changes in the customs tariff which the hon. members are free to discuss.

Mr. Herridge: I should like to bring to the attention of the parliamentary assistant a matter which is of importance to a large number of Canadians. I have been interested in the fact that there has been a 20 per cent duty against penicillin since some time in 1947. I asked the following question about this some time ago:

1. Has a tariff been imposed on penicillin? If so, what is the rate of such tariff and when was it first given effect?

The answer received from the Department of National Revenue was as follows:

Yes. The present rate of 20 per cent M.F.N. has been in effect since April 1, 1947.

My second question was:

What was the value of penicillin imported into Canada for the years 1945-46-47-48-49?

The answer by the Department of Trade and Commerce was as follows:

Penicillin was not separately classified in Canadian trade statistics prior to January 1, 1949. Imports of penicillin and products during the calendar year 1949 were valued at $1,507,456.

We are charging a 20 per cent duty on a very necessary drug while under the third resolution to amend the Excise Tax Act we are providing for the removal of the sales tax from a number of articles and materials used by bona fide public institutions certified to be such by the Department of National Health and Welfare. I heartily agree with that because we are doing something commendable to reduce the cost of hospital administration and expense.

I do suggest that it is most unfortunate that we should continue to impose this 20 per cent customs duty on a necessary drug

like penicillin. In going over the schedule at the back of these resolutions I find that there is a 20 per cent tariff against rough granite and a 25 per cent tariff against bagpipes. As far as I am concerned you could put 100 per cent on bagpipes and take it off penicillin. I notice that castor oil comes in free.

When you consider the customs tariff it is hard to see the logic of some of these items. When the parliamentary assistant answers my question I should like him to explain the 25 per cent duty on bagpipes and the 20 per cent duty on penicillin.

Penicillin is used to fight infection, and in this connection it has been used with great success in recent years. It is good for colds, pneumonia, bone diseases and other infections with which hon. members may be familiar.

I am informed by my doctor that where a patient is suffering from pneumonia he may require five or six injections daily for as long as three weeks at a cost of about $5 per day. The 20 per cent tariff on penicillin is an added burden on people who are sick and who can ill afford to pay the cost of this drug.

I should like to know the amount of penicillin manufactured in Canada and why this 20 per cent tariff is placed on such a necessary drug. I should like the parliamentary assistant to use his influence to have this duty on penicillin removed and thus lower the cost of medical treatment, just as we are doing under resolution No. 3 to amend the Excise Tax Act.

Mr. Bryce: I do not rise to defend bagpipes, as some people might expect I would. Even though there might be a 100 per cent duty against bagpipes coming in, they will still flourish. I support what the hon. member for Kootenay West has said. I think it is a shame that people should have to pay a duty on penicillin. I am not talking about this from a medical point of view; I am talking as one who has had to pay for it. I had to pay for it for twenty-seven weeks and when you have poor people like myself in that position it is quite a drag on them. From what doctors tell me this appears to be one of the finest things ever discovered. I join with the hon. member who has just spoken in urging that this 20 per cent duty be taken off this drug. I do not see how you can justify that. It is something for suffering humanity and you should let it in if it is at all possible.

Mr. Sinclair: Perhaps I should say a word. Penicillin comes under section 2 of the resolution. After seeing on the order paper the question of the hon. member for Kootenay West I made it my duty to get a very full answer for him which I will give at the proper time. Just to clear the air, so far as bagpipes are concerned, if they are brought in from the United Kingdom—and I would hope they would be brought from there—they come under the item brass band instruments of a class or kind not made in Canada; bagpipes and complete parts thereof, British preferential tariff, free. The most-favoured-nation tariff—I do not know what other nation would care to make them—is 25 per cent and the general tariff is 25 per cent.

Mr. Bater: Reverting to cars, is the devaluation of the pound the reason why British cars are coming in free at the present time?

Mr. Sinclair: No; British cars have come in free for many years. The devaluation of the pound has been a great help to the British since their currency was devalued more than ours. That has been one reason why they have been able to come into this market, but the freedom from tariff was in effect long before devaluation.

Mr. Knight: It may be a far cry from penicillin to fire equipment but I think the discussion arises because of the attitude of the government in keeping out of the country, by means of a prohibitory tariff, things which are necessary for the preservation of human life. I have been interested in this question for a year or two. Can the parliamentary assistant give us figures first as to the amount of the prohibitory tariff, and second the amount of such fire prevention equipment that is imported into this country? We constantly read of disasters affecting human life being caused in part at least through defective fire equipment or the absence of equipment altogether. I remember taking part in a debate once when the Minister of National Defence was concerned and he said that in his opinion the prevention of fires in Canada was an integral part of national defence.

That being so, and in view of the argument I have advanced that many municipalities have suffered disasters through loss not only of human life but also of property, I think that something should be done. If there is any way in which the government can facilitate a plentiful supply of equipment being made available in Canada to protect the lives and property of its citizens from fire, I think the government should take those steps. I do not think any government should desire to profit by putting a

tariff on such items. In that way I think the matter is linked with penicillin and other drugs which people need in these times. What is the good of these things being in existence if people are prohibited from using them? To my mind it is undemocratic because it simply means that people who can afford these expensive medicines are in a position to have them while those who are not must do without. In the same way the poorer municipalities have to do without the means for fighting fire.

Mr. Sinclair: Of course fire engines do not come under resolution 2(a) now under discussion. While I have all the details connected with the amount and production of the things which are affected by these changes covered by these resolutions, I obviously cannot give my hon. friend at the moment the figures on the amount of fire equipment which is made in this country or imported. I can tell him, however, that under tariff item 424 fire engines and other fire extinguishing machines and chassis for same, complete parts other than chassis parts, are imported free from Great Britain. There was a 30 per cent tariff on them for most favoured nations which has been reduced by the Geneva agreement to 25 per cent, and there is a 35 per cent tariff for other nations. I would point out that perhaps this is an indication of the policy which his colleague, the hon. member for Moose Jaw, wants. He wants the British to have the edge on other countries, and we give them that edge by admitting fire equipment free from Great Britain and with a 25 per cent duty from the United States.

Mr. Thatcher: Is the parliamentary assistant in a position to tell the house tonight whether the Canadian delegation which will be going to Torquay will use the commonwealth preference tariff schedule as a bargaining point, or anything else? Is there any intention of scrapping that, or am I premature in asking that question?

Mr. Sinclair: Obviously a parliamentary assistant is not in a position to answer questions like that. I suggest that the hon. member direct his question to the Minister of Trade and Commerce.

Mr. McIvor: On a point of order, I think the parliamentary assistant has enough to do to look after one department without having to answer questions on two or three.

Mr. Thatcher: This is his department. I would suggest that he should not be piloting these resolutions unless he has the information.

Mr. Smith (Moose Mountain): On behalf of the farmers, as possibly you might gather, may I say that I am learning things in the house every day, and I think possibly I can learn more. Being a farmer I always thought that, so far as tariffs and dumping duties were concerned, all the farmer needed to do was to pay them. I should like to ask the parliamentary assistant how the farmer benefits from dumping duties and tariffs.

Mr. Sinclair: If the hon. member will wait until we get to 1(b) I will give a very practical illustration because the change in 1(b) in connection with the importation of vegetables is pertinent to the question he has just asked.

Mr. Wright: I should like to ask the parliamentary assistant if, when purchasing supplies, provincial governments are exempt from paying duties on their purchases.

Mr. Sinclair: No, neither the provincial governments nor the federal are exempt. It is only on sales and excise taxes within the country that exemptions are extended.

Mr. Wright: There is no rebate of the customs duty?

Mr. Sinclair: No.

Paragraph (a) of resolution 1 agreed to.

(b) By repealing section fourteen and substituting the following:

"14. (1) The ad valorem rate of duty set forth in tariff item 84, 85, 87, 92, 94 or 95 in schedule A applies to goods specified in the item imported at any time except during a period in which an order of the minister under subsection two has applied the rate of specific duty set forth in the item in lieu of the ad valorem rate of duty in which case the rate of specific duty set forth in the item applies to goods imported during that period.

(2) The minister may order that the rate of specific duty set out in a tariff item mentioned in subsection one shall apply to goods specified in the item mentioned in lieu of the rate of ad valorem duty set forth therein for such period during each fiscal year as may be fixed by the minister not exceeding the number of weeks mentioned in the item: provided, that in the case of sub-items (b), (d), (e), (f), (g), or (i) of tariff item 87, the minister may order that the rate of specific duty shall apply during two separate periods in a fiscal year but the number of weeks in the two periods shall not exceed the number specified in that sub-item.

(3) The minister may exclude from an order made under subsection two, either at the time of making the order or at any time thereafter, goods to which the order would otherwise apply imported through ports in a specified region or part of Canada during the whole or any part of the period mentioned in the order in which case the ad valorem rate of duty applies to the goods so imported."

Paragraph (b) of resolution 1 agreed to.

(c) By repealing subsection three of section sixteen and substituting the following:

"16. (3) All such goods imported into Canada after the date of the coming into force of any such order of the governor in council which do not comply with the requirements of such order shall

not be released from customs possession until they have been so marked, stamped, branded or labelled under customs supervision at the expense of the importer."

Paragraph (c) of resolution 1 agreed to.

2. Resolved, that schedule A to the customs tariff be amended by striking thereout tariff items 16, 17, 28b, 77 99e, 101b, 206a, 208v, 209d, 446h, 480a, 520c, 558b (a) and (b), 558d (a) and (b), 605a, 607, 696a, 705, 705a, 709 (a) and (b), 779 and 779a, the several enumerations of goods respectively and the several rates of duties of customs, if any, set opposite each of the said items, and by inserting the following items, enumerations and rates of duty in said schedule A:

Mr. Sinclair: Since penicillin has been mentioned by the hon. member for Kootenay West, perhaps I should give a fairly full explanation of the situation because it is one which is naturally of very great concern to the people of Canada. Our present tariff item 206a(1) provides for duty free entry from all countries of serums, antitoxins, viruses, toxins, toxoids, vaccines and allergenic products, n.o.p., for parenteral administration in the diagnosis or treatment of diseases of man. There is a second section applying the same thing to animals.

Last June a United States company entered two importations of penicillin S-R, duty free, under tariff item 206a at the port of Windsor, Ontario. On July 15, 1949, the importer was advised by the Department of National Revenue that antibiotics including penicillin were not considered to be biological products, and were dutiable under tariff item 711, the item covering unenumerated goods, at the most-favoured-nation rate of 20 per cent. The importer appealed this ruling to the tariff board and the appeal was heard by the board on October 4, 1949. It is to be noted that tariff item 206a covered biological products. These products, however, were limited to those for parenteral administration—I looked up that word, and it means an injection under the skin—and to those manufactured under licence of the Department of Pensions and National Health, now the Department of National Health and Welfare.

The tariff board rendered its decision, which was actually in favour of penicillin being admitted duty free, with one dissenting opinion. The deputy minister of national revenue has now announced that he intends to apply to the Exchequer Court of Canada for leave to appeal from the decision of the tariff board on questions of law.

It was quite apparent, therefore, that the wording of tariff item 206a was too ambiguous to be continued in its present form, and it is now proposed to revise the wording to specify by name the products this item was originally intended to cover. As the minister stated in his budget speech, he is going to refer the whole question of antibiotics to the tariff board for investigation and report under part I of the Tariff Board Act. It is felt that the present wording will meet this situation until the report of the board is tabled in parliament. Penicillin will therefore continue, as in the past, to be dutiable under tariff item 711 at the rate of 15 per cent under the British preferential tariff and 20 per cent under the most-favoured-nation tariff.

Now I want to go on to the next part. When penicillin was first developed, during the middle years of the war, the manufacture was started by the Americans to begin with, and we found we could not obtain penicillin from the United States sources. So as a matter of national security we encouraged the construction of laboratories in this country to undertake the manufacture of penicillin. These companies started operations in Canada in 1943; and when we speak of prices it is very interesting to see what happened to the price of penicillin and other antibiotics produced by these companies since that time. In 1943 they offered penicillin to the government at a price of $20 per 100,000 units. By 1944 the price had fallen to $7 per 100,000 units. Today the price to hospitals has been lowered to 19 cents per 100,000 units in 100,000-unit vials, or 12 cents per 100,000 units in the million-unit vials. I think it is very definitely in the national interest that the manufacture of penicillin and other antibiotics, such as streptomycin, be continued in this country, and so some protection is deserved.

I have the figures here as to production. I will not name the companies, but of the three producing these antibiotics the value of the penicillin produced last year in one case was $768,000, in another $2 million and in the third $160,000. Two of the three companies produced other antibiotics, the value of production of one amounting to $2,323,000 and of the other to $64,000 making a total production worth $5,310,000 in this country, adequate to supply our own needs and actually leaving enough for export to the amount of $1,829,000.

In the past penicillin was classed under tariff item 708, not as one of these biological products. This American company made a test case of it. All we are doing now, pending full investigation by the tariff board, is to continue in law what has been the practice. That is being done for two reasons, first because it has been the practice and second to protect this very important industry which has grown up in Canada, which was developed at a time when we could not get penicillin from outside sources, and which

is adequate to meet our present needs. More than that, I believe the fact that the price has fallen from a high of $20 per 100,000 units in 1943 to a low of 12 cents to hospitals in 1950 is an indication that we have secured good results under this policy.

Mr. Adamson: Can the minister say why penicillin is still under prescription, why it cannot be bought without a prescription? I have been asked this question many times. It comes in certain strengths, but apparently a prescription is still necessary.

Mr. Sinclair: I cannot give the answer as far as the medical end is concerned. One of the difficulties with penicillin, of course, is the fact that it deteriorates very quickly. One of the reasons this United States company was so anxious to dump penicillin in this country was this price war in the United States, and also a desire to get rid of a surplus of deteriorated penicillin. However, I think the Minister of National Health and Welfare would be a better person to ask why penicillin is still sold only by prescription.

Mr. Adamson: Can the minister say what was the price of penicillin to hospitals in the beginning?

Mr. Sinclair: All the penicillin the hospitals got in 1943 came through the government, and the government bought it at $20. At that time penicillin was used only in military hospitals, because of short supply.

Mr. Fleming: May I ask the parliamentary assistant if he is in a position to give us a brief analysis of the changes made in the tariff schedules? Those changes seem to be very few, and I wondered if there was a brief analysis available.

Mr. Sinclair: The only actual change in the entire schedule is the change in tinplate. That is the only instance in which there is a tariff increase.

Mr. Knowles: Then may I ask whether there are items in these schedules now before us in which there is no change at all, or is there in some instances a change in the designations?

Mr. Sinclair: There are many changes in numbers. I just gave an example. Item 206a included these biological products for injection into human beings, and a second section of the same item covered products for injection into animals. That now has been separated into two sections. Another example is potassium chlorate. There was a change in the tariff schedule in 1933, and the item read "all potassium chlorate imported into the country after July 1, 1933." That deadline is still carried in the tariff schedule, though obviously it is of no significance seventeen years later; and that has been removed. The greater part of this job is cleaning up things like that, the exceptions being the gums and tinplate in the next section.

Mr. Knowles: In other words there has been some change in every item in the schedule, even if it is only the number of the items?

Mr. Sinclair: That is quite right.

Mr. Thatcher: Regarding the tinplate item—

Mr. Sinclair: That is the next section.

Mr. Murray (Oxford): If I may enlighten the hon. member for York West, as one who has retailed penicillin for a goodly number of years, I may tell him that penicillin is available to the public in a strength up to 3,000 units for oral use; but its parenteral use is still under the direction of a doctor. As the hon. member will see, if it were available to the layman it could be used indiscriminately. I am sure that is the reason it is offered only to medical men for parenteral administration.

Mr. Adamson: Thank you very much. I am sure the committee will be glad to have that information. Since penicillin is unlike the sulfa drugs, since it is not toxic or habit-forming in any way, I wondered why a prescription was required, since apparently there is no possibility of an overdose.

Resolution agreed to.

3. Resolved, that Schedule A to the Customs Tariff be amended by striking thereout tariff items 5(a) (b) and (c), 7(a) (b) and (c), 8, 8a, 13, 22, 23, 26, 27, 28, 28a, 29, 29a, 30, 31, 39a, 39b, 41, 45, 47, 62, 62a, 66a, 74, 75, 76, 76a, 76b, 76c, 76d, 79b, 79c, 79d, 81(a) (b) and (c), 82(a) (b) (i) and (ii) (c) (i) and (ii) (d) and (e), 83(a) (b) and (c), 84, 85, 87 (a) (b) (c) (d) (e) (f) (g) (h) (i) (j) (k) (l) (m) (n) (o) and (p), 89(a) (b) (c) and (d), 92(a) (b) (c) (d) (e) (f) (g) (h) and (i), 93, 94, 95, 99c, 100, 100a, 105, 105b, 105c, 105d, 105e, 106(a) (b) and (c), 106d, 108, 109, 109a, 109b, 110, 111, 114, 120(a) (b) (c) and (d), 123, 123a, 141, 152, 152a, 152b, 152c, 154, 156, 160(a) and (b), 161, 162, 163, 163a, 167, 178 (i) and (ii), 178a, 178b, 179, 184a, 184b, (i) and (ii), 184c, 184d, 199b, 207, 207a, 207b, 208i (i) and (ii), 208j, 208t, 232, 232a, 247a, 254, 254a, 262, 264, 264a, 266, 273, 273a, 276, 276a, 276b, 277, 277a, 278, 278a, 278b, 278c, 278d, 284, 305, 306, 307, 326(i) and (ii), 353, 353a, 366, 366a, 366b, 368, 383(b), 384(a) and (b), 402b, 414, 414a, 414c, 429(g), 430b (I) and (II), 434, 440m (i) and (ii), 440g, 446g, 450, 451b (i) and (ii), 518, 519, 520, 522c, 523, 523b, 523l, 523n, 524a, 532, 549, 549a, 549b, 553, 554e, 568b, 569 (i), 569(ii), 569(iii), 569(iv), 569(v), 569a, (i), 569a (ii), 571, 571a, (i) and (ii), 597, 597a, 598, 598a, 604, 605, 607 Pt. 2, 607a, 611a, 616(i) (ii) and (iii), 619a, 624a (i) (ii) and (iii), 654, 655, 656 and 710 (b) and (bb), the several enumerations of goods respectively and the several rates of duties of customs, if any, set opposite each of the said items, and by inserting the following items, enumerations and rates of duty in said schedule A:

Mr. Sinclair: This is the resolution to which I should like to direct attention because of

the comments that have been made and editorials which have appeared in several newspapers in Canada, about tinplate. In this list covered by resolution 3, there are I think a total of 435 items. Almost all of them are changes in numbering or the removal of obsolete language or changes in designation to fit designations agreed upon at the Geneva trade conference. There are however two of them to which I should like to refer. The first is the duty on gum compound. This is item 254, which provides for duty-free entry under the British preferential and most-favoured-nation tariffs of various gums. Under the most-favoured-nation tariff there is a 10 per cent duty applied if those duty-free gums are mixed before entry. That is one small change brought about by Geneva, that they now enter duty free. It is a small group, and not of much consequence.

The other group, tinplate, is a much more interesting example. Hon. members will recall that the object of negotiations during the 1947 discussions at Geneva was to reduce the general level of tariffs and eliminate tariff preferences on a mutually advantageous basis. Towards the end of these negotiations the United States requested the United Kingdom to give up the tariff preference it enjoyed in Canada on tinplate. The proposal did not originate with Canada. The United States requested it and it was the United Kingdom who agreed to this, and you will see the reason why not much objection was made. The United Kingdom agreed, and received in return tariff concessions from the United States in compensation for giving up this preference.

In order to facilitate the successful conclusion of United States, United Kingdom and Canadian trade negotiations, Canada agreed to the proposal that the British preferential tariff on tinplate be increased to 15 per cent, the same as the most-favoured-nation rate, thereby actually eliminating the preference. It was understood on all sides that when this change was made it would be of very little practical importance in trade between Canada and the United Kingdom. In the first place, the United Kingdom did not expect to be in a position, for many years in the post-war period, to export significant quantities of tinplate to Canada. In the second place, Canadian production had expanded to a point where we were supplying a very large part of our own requirements. Our present production of tinplate is in the neighbouhood of $35 million annually.

I shall give you the figures on imports. In 1947 our import of tinplate from all countries was valued at over $8 million, of which only $107,000 worth came from the United Kingdom, and the remainder from the United States. Even since that time our production has steadily increased. During 1949, imports from all countries have dropped from $8 million in 1947 down to $3,800,000, all of which came from the United States except $68,000 from the United Kingdom. We produced this year between $35 million and $36 million of tinplate ourselves. Last year's import from the United Kingdom was only $68,000. You can see, therefore, that when the Americans requested the British to make this concession, the British realized it was a trivial concession. Every indication is that we shall have a still greater Canadian production, and that our small imports are going to dwindle still more.

If there is any interest in the figures, I can put on the record the monthly importation during 1949 of tinplate from Britain and the United States. Actually, it just shows the story I have given, a steady dwindling of imports from both countries down, as I said, to the $68,000 last year from the United Kingdom, when our own production amounted to $35 million.

Mr. Adamson: Can the parliamentary assistant say when we began to manufacture tinplate in Canada?

Mr. Sinclair: We manufactured it in a small way before the war, but it was during the war that the manufacture of tinplate began on a large scale. Since the war, when tin from Malaya became available, the Canadian steel companies went ahead with the manufacture of tinplate, using the latest electrolytic method.

Mr. Thatcher: The parliamentary assistant has been plausible, but I still do not think he has given a logical reason for this increase. I think he said the amount involved was inconsequential, so it does not matter. If the amount involved is only $68,000, why put the tariff on at all? The parliamentary assistant pointed out that the United States asked Great Britain to agree to this, and the British did so. The British have had the gun put to them quite a few times in the last few years. With ECA aid and things of that nature, how can they refuse some of these United States requests? I think half the people of Canada should realize that, despite the verbiage which the parliamentary assistant used to dress this up, it is a straight increase and a protectionist measure to protect the tinplate industry in Canada.

Mr. Sinclair: It is very obvious, to anyone who gives the matter a little thought, that the British were horse-trading and did a good job of it. They secured these important

concessions in return for the preference on tin which did not amount to anything. It is inconsequential so far as this country is concerned.

When one talks about ECA dollars, hon. members should realize that the leaders of the United States delegation have to satisfy the members of congress about the United States concessions, and here they could say that in return they secured the abolition of the British preference on tinplate. Our country did not ask for it. It was a matter arranged between the United Kingdom and the United States, and we gladly agreed because, as I say, it is inconsequential to this country owing to our greatly increased production of tinplate.

Mr. Knight: I should like to ask the parliamentary assistant if he knows anything about these wire and tape recording machines used for playbacks in checking speech in educational institutions? I want to know if a duty is charged against those things, and if so, why they are not on this free list No. 696. Needless to say I am not an expert on picking out the various items. What are the conditions that apply to these machines used for educational purposes? The minister was asked about this, and he said a considerable number of these machines were manufactured in Canada. I have made some inquiries, and I find there is only one machine manufactured in Canada. He said they were available from various sources, and I should like to know what those sources are. My information is that there is only one machine produced in Canada and that it is sold under different names. I am further informed that the price of a machine in the United States is about $125, Canadian funds, and that the price in Halifax is $270, a difference due to these various prohibitions. I should like to know whether the importer of such an item has to have an official permit before he can import it.

Mr. Sinclair: These dictating machines today come under item 414a. There has been no change in that item, but there is a 10 per cent duty on machines of British origin, and 20 per cent most-favoured-nation, with 25 per cent other nations. The United States, of course, is a most favoured nation. Pardon me, I am informed that the most-favoured-nation is 20 per cent, but the United States has another rate of 12 per cent. I believe last year the minister did say that these machines were made here. I understand that at least two firms make those machines in Canada.

Mr. Knight: Is this information correct that two firms are making them, or is only one firm making them and selling them under different names? The minister mentioned several sources in Canada. What are they? What is the reason for the imposition of this tariff?

Mr. Sinclair: I have been trying to give all the information I can on the actual items that we have under review. It is information about these that I have here tonight. On an item such as the hon. member mentions I suggest that a question should be put on the order paper, and in that way he could obtain more information, because we could give the answer tomorrow or later.

Mr. Knight: May I ask the parliamentary assistant what in his opinion is the justification for having tariff charged on these things? Surely, if they are for educational purposes, for the use of schools and colleges, they should be treated in the same way as other things in 696.

Mr. Knowles: Perhaps as the hon. member for Coast-Capilano you could give us your opinion.

Mr. Sinclair: I have given my opinion quite often. The main reason we put on taxes is to raise revenue for the desirable services which hon. members ask for. For example, the hon. member for Saskatoon is asking for federal aid to education. Well, if we are going to give federal aid to education we shall have to find money somewhere, and it can only be found through taxation.

So far as the use of these dictaphones is concerned, the great bulk of their use is undoubtedly in business offices, and we tax most of the equipment used in business offices as a source of revenue, and this class of thing comes in that category.

Mr. Knight: I do not see what my views on education have to do with this kind of thing. So far as I am concerned, I confess a desire for federal aid to education, and I have no thought of changing my views. Does the reply of the parliamentary assistant mean that we are going to get federal aid to education? We already have a tariff placed against these machines, and I should like to know the justification for it. Must a Canadian school or university have an import licence before they can import these things at all?

Mr. Sinclair: The answer to the second question is yes. The answer to the first question is that probably the hon. member did not understand my reply. That probably is the reason why hon. members, like the hon. member for Saskatoon, are continually making these demands for bigger expenditures, and have no realization at all that somehow, somewhere, the Minister of Finance has to find the money to finance these expenditures.

I used the example of education only because the hon. member has put forward on various occasions his thought that there should be financial aid from the federal government for education. That being the case, I would think that he should realize that somewhere, somehow, the federal government is going to have to find that revenue to maintain all these desirable projects.

I am informed that in Saskatchewan, for example, they very recently increased their sales tax from 2 per cent to 3 per cent for this very reason, not that they wanted to impose an extra tax on goods which may still be necessities, or used in schools or businesses, or in industry, but because they had to get extra revenue. Therefore again I say to him, as far as this matter of dictaphones is concerned, which is not an item covered by this resolution at all, that if he wants to secure more information on it he has only to ask the appropriate minister, the Minister of National Revenue. We have come here prepared to discuss every item on the schedule, but not to discuss policy or items which are not covered in these amendments.

Mr. Knight: Mr. Chairman, the avowed policy of this government, so far as I know, is not to charge tariff against these educational machines. I think my question was reasonable enough. Why is this item I have in mind not included among these other items for which the government itself has given us a precedent in the matter of allowing them in free? I am not asking for federal aid to education in this instance. I am asking the government to do away with something that is a drag upon education. Why should that one particular item regarding tape machines, or whatever the technical name is, not be on this list when there are on the free list many other things having to do with education? Personally I think it is a matter that has not been considered. I think it is carelessness on the part of the department concerned. I see no other reason. I believe it has not come to the attention of the government, or they have not given it consideration. If they had they would realize and see that it is simply one machine that should be free because of its similarity to the items that are free. I am not asking for anything; I am simply asking that the government follow its own precedent, the precedent of not charging tariff on educational machines. I do not see why we should have to pay $270 for a thing which, in the United States, is worth $125 in Canadian funds. I do not think that these remarks about the C.C.F. government in Saskatchewan and what it is doing there are applicable or relevant to the matter under discussion. It is simply the same old story of playing politics with a matter which in my opinion should be considered seriously. I am interested in the children of this country, and it has nothing whatsoever to do with politics, or with the C.C.F. government in Saskatchewan.

Mr. Knowles: I think the parliamentary assistant should give a little thought to the nature of the answer he has given to the hon. member for Saskatoon. The hon. member for Saskatoon asked why educational institutions have to pay this particular tax. His answer was that the government has to collect that tax from educational institutions so as to provide funds for federal aid for education, which it is not providing.

Mr. Sinclair: The hon. member is very good at playing on words. I do not think anybody in the committee except himself took that meaning out of my words.

Mr. Knowles: That is what the hon. member said.

Mr. Sinclair: If the hon. member is no more accurate than that in phrasing things he has just heard, I can understand why he is so loose in paraphrasing things that happened weeks or months ago.

Mr. Knowles: You said it; now you straighten it out.

Mr. Sinclair: Getting back to this question, it is quite true that the sales tax and excise tax are remitted on a great number of things used by educational institutions. To my knowledge there has never been a request from any educational institution of standing in the country for exemption for these dictaphones for recording and mechanical use by educational systems in Canada. If that request comes forward and is supported by a good case no doubt the minister will give careful consideration to it.

Mr. Fraser: Just before we close this discussion, the assistant to the minister made the statement that these duties were imposed in order to raise revenue.

Mr. Sinclair: That is part of it.

Mr. Fraser: I do not think that is all the reason. I think the reason is to protect our workmen against other goods coming in here and stopping them from manufacturing them.

Mr. Sinclair: It is a combination of these two.

Mr. Fraser: Yes; it is to protect our men and secure their jobs for them.

Mr. Fleming: Would the parliamentary assistant indicate to the committee briefly how much of the Geneva agreement has now been carried into effect, first by order in

council and second by statute, and what portion of the agreement may yet not be in effect in Canada?

Mr. Sinclair: I am informed that of the almost 1,000 items on the Geneva schedule we have now implemented, through this and other changes, some 435, and we have carried out, more than perhaps any other country, most of the undertakings which we gave at Geneva; and that will be one of the points which we will raise at Torquay, the fact that we have taken the lead. That is why we are anxious to get this through. We have taken the lead in trying to implement in our tariff schedules the concessions agreed to at Geneva. The fact is that out of almost 1,000 items we have implemented 435.

Mr. Fleming: That is to say, there are roughly 565 that have not been carried into effect. Is that correct?

Mr. Sinclair: Yes, on which further negotiations will take place at Torquay.

Mr. Fleming: As to the 435, assuming the enactment of a bill to give effect to the resolutions now before the house, how many of the 435 will then rest on a statutory basis, how many on an order in council basis?

Mr. Sinclair: The entire 435 will then rest on a statutory basis, and as the other undertakings are agreed to at Torquay they too will be put on a statutory basis.

Mr. Wright: On a former item the parliamentary assistant said, in reply to a question by the hon. member for Moose Mountain, that he would explain on this item how the tariff and dumping duties benefited western farmers. I should like to hear his explanation.

Mr. Sinclair: It was not on this item. However, I might be permitted to revert to resolution 2. The hon. member for Moose Mountain asked if there was any instance where these dumping duties helped Canadian farmers.

An hon Member: Western farmers.

Mr. Sinclair: Yes, western farmers. This matter connected with fruits and vegetables certainly is one which concerns the western farmers whom I know in my province. At Geneva the question of the protection of a country's fruit and vegetable farming industry during periods when it is in production was thoroughly discussed. Section 14 of the present Customs Tariff is being repealed and the new section 14 is being substituted therefor.

The new section authorizes the minister of National Revenue to fix the period when imported fresh fruits and vegetables are to be subject to the specific rates of duty provided for in the various tariff items covering fresh fruits and vegetables. The minister is also authorized to do something he could not do before, namely to apply it regionally. This is important in Canada where the various crops come in at different periods of the year. During those periods which are designated in the Geneva agreement by time, the length of the period in which these extra duties can be applied, the minister can regionally or nationally, by means of this extra specific duty, protect the Canadian farmer growing these fruits and vegetables.

Up until we concluded this Geneva agreement we had an agreement with the United States which, of course, this agreement now supersedes. That agreement called for three split periods for cabbage, carrots and beets. We were asked for the split period because of the nature of our problem. First in the season is when our own hothouses are producing these fruits and vegetables for the Canadian market, during which time they have to have a measure of protection against surplus coming in from the United States. Then there is the period later in the year, when there is field production, when we have to have similar protection.

That has now been extended. We now have a split period for beans, cabbage, carrots, beets, cauliflower, celery and lettuce.

Mr. Knight: Returning to the matter I mentioned a moment ago, I should like to draw the attention of the parliamentary assistant to something he said. His statement was that, so far as he was aware, no application had been made by any educational institution. I am prepared to accept his word in regard to his lack of awareness, but not as to the other matter—because an application was made.

I shall place on record, to just such an application by a professor at Dalhousie university, the reply from some assistant, apparently, of the Minister of National Revenue. This reply is dated at Ottawa, March 20, 1950, and states:

> I wish to inform you that the "Revere" magnetic tape recorder, per descriptive illustration submitted, manufactured by Revere Camera Company, Chicago, Illinois, a general purpose recorder for use in the recording of sound on a magnetized tape, incorporating provision for play-back thereof, is considered to be an article of a class or kind made in Canada, and, therefore, not admissible under tariff item 696 under any circumstance, but rated for duty under tariff item 445k, at 22½ per cent ad valorem, most-favoured-nation tariff, subject, in addition, to the consumption or sales tax of 8 per cent levied on the duty-paid value . . . The above magnetic tape recorder is restricted importation under the provisions of the Emergency Exchange Conservation Act and may only be imported under permit from the emergency import control division, Department of Finance, 490 Sussex street, Ottawa.

And then Mr. Abbott wrote, in reply, I believe, to the hon. member for Rosetown-Biggar on some date in 1950—I have not the exact date:

With regard to the duties and taxes, I am informed by the Department of National Revenue that these wire and tape recorders would not be classified under tariff item 696, which allows educational equipment to be imported into Canada duty free—

And I would ask the parliamentary assistant to listen to the reason given.

—because these machines are manufactured in Canada and are available from several sources.

The point I made, and which the parliamentary assistant has not cleared up, is that it is suggested that these machines do not come from several sources in Canada, but rather that one machine is made and sold under various names, giving colour to the suggestion that they come from various sources. I am not sure whether that is correct or not, but I presume it is the business of someone in the department to find out. I would ask for that information. If it is true then in all reason, leaving out all those wisecracks about politics, the C.C.F., and everything else, in the interests of educational organizations in this country I see no reason why that one particular item should be picked to be omitted from the list of items to be allowed in free under the heading of items used for educational purposes.

Mr. Blackmore: Mr. Chairman, before we pass this item, there is one comment I should like to make. Men can keep on repeating fallacies until they begin to believe they are true. One of the fallacies constantly repeated by ministers in the House of Commons is that all payments must come from taxation.

Just to give the parliamentary assistant something to think about, may I read from the proceedings of the committee on banking and commerce in 1939, the official publication thereof. At page 54 I find this:

Mr. McGeer: That is the theory that governmental expenditure must be made through the medium of taxation.

Mr. Towers: Governmental expenditure may be made either through the medium of taxation or through borrowing, or through the issue of currency . . .

I hope we do not hear any more of this parrot repetition of the fallacy that everything must be paid for out of taxation.

Resolution agreed to.

Resolutions 4, 5 and 6 agreed to.

Resolutions reported, read the second time and concurred in.

INCOME TAX ACT

Hon. Alphonse Fournier (for the Minister of Finance) moved for leave to introduce Bill No. 177, to amend the Income Tax Act.

Motion agreed to and bill read the first time.

EXCISE TAX ACT

Hon. Alphonse Fournier (for the Minister of Finance) moved for leave to introduce Bill No. 178, to amend the Excise Tax Act.

Motion agreed to and bill read the first time.

Mr. Sinclair: The bill to amend the Customs Tariff will not be received from the printer until Monday, so I am not asking for first reading tonight. The other two bills are in the hands of the printer tonight and should be available tomorrow. The minister has asked me to give his assurance that the income tax bill will be before the house for at least a week so that hon. members will have a chance to digest it thoroughly.

RESEARCH COUNCIL ACT

PROVISION FOR ADDITIONAL VICE-PRESIDENT—DEFINITION OF "INVENTION"

Hon. Alphonse Fournier (for the Minister of Trade and Commerce) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Research Council Act to provide for the appointment of an additional vice-president of the national research council, and to bring the act into conformity with the Patent Act as to the definition of "invention."

Mr. Green: Is the parliamentary assistant making a statement?

Mr. G. J. McIlraith (Parliamentary Assistant to the Minister of Trade and Commerce): Mr. Speaker, the legislation of which this resolution forms the basis is not extensive in scope. Hon. members will recall that the Research Council Act was passed in 1924 and amended in 1946. By the 1946 amendment provision was made for the appointment of two vice-presidents, one vice-president, scientific, and one vice-president, administration. In 1947 when the operation of the atomic energy project at Chalk River was placed under the jurisdiction of the research council the man in charge of that project was given the position of vice-president, scientific.

The result is that as far as the research council itself is concerned the one position of vice-president, administration, is filled but there is no position to which a person could be appointed to have similar jurisdiction over

the scientific end of the operation. It is desired that there should be a vice-president having charge of the scientific work of the research council other than that of the atomic energy project, and the legislation proposes to create this additional position of vice-president, scientific.

The second part of the resolution simply deals with the definition of the term "invention." It will be recalled that the Research Council Act was enacted in 1924, whereas our patent legislation is more recent. The definition of "invention" in the Patent Act is wider and gives more complete protection than the definition in the Research Council Act. It is proposed by this legislation to bring the two definitions into line so that the research council definition will follow that of the Patent Act.

This is particularly important when one remembers that under the legislation patents of invention by technical officials of the research council vest in the council. With the current developments in chemistry and atomic energy it is particularly important that the definition be wide enough to include compositions of matter as well as apparatus and other mechanical inventions. The present definition is somewhat weak in this respect.

There is one other slight change being made by the proposed legislation which has to do with the term "national research council." The present legislation does not provide for the use of that term although it has been in general use since 1925 when it was authorized by an order in council. It is proposed to give its use legislative authority. I do not think there is any more I can usefully say on the resolution stage.

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, this seems to be a reasonable proposal the government is making to the house. I suggest to the parliamentary assistant that it would be helpful if after receiving second reading the bill is referred to the special committee set up to consider the working of the national research council. During the sittings of the committee last year which dealt with the atomic energy control board we had some evidence given to us concerning the need for another vice-president. There was some discussion which I think would be of assistance in considering this particular measure.

I suggest also that, when the house goes into committee on this present resolution, the parliamentary assistant give us further details of the functions of this new vice-president. I take it that at the present time Dr. Norman Keys of Chalk River is the vice-president, scientific; apparently the intention is to name him vice-president in charge of that project and to have some other scientist appointed vice-president, scientific. We ask that the parliamentary assistant clarify that situation. I hope nothing will be done to reduce the prestige of Dr. Keys. I think he has done a splendid job at Chalk River and I am sure all the members of the atomic energy committee of last year would be against any move which would injure his standing.

We would like to know also if this new vice-president is to be a member of the executive committee of the research council. There is provision now for an executive committee consisting of the president; vice-president, administration; vice-president, scientific; and at least three other members selected by the council. I suppose the bill will provide that the new vice-president will also be a member of that executive committee.

When the Research Council Act was amended in 1946 power was given to the council to set up crown companies. They could do it in two ways: either by procuring the incorporation of a new company or by taking over the share capital of an existing company. I do not know how many companies have been taken under the wing of the research council since that particular amendment, and I ask the parliamentary assistant to give us the story about these crown companies when the resolution goes into committee.

Finally, with regard to the definition of "invention". The research council are given very wide powers with respect to inventions by scientists and others in their employ and also very wide powers to sell those inventions. The parliamentary assistant has mentioned that there is to be a definition of the word "invention" to coincide with the definition of invention in the Patent Act, but in the Research Council Act reference is also made to discoveries and to improvements in processes, apparatus, or machines, and so on. It seems to me to cover more ground than would be covered by the one word "invention". When the house gets into committee I hope the parliamentary assistant will explain whether or not the definition of "invention" will do away with the word "discoveries" and the other words contained in the present Research Council Act.

Subject to receiving an explanation along the lines I have suggested when we are in committee of the whole house, the official opposition have no objection to this particular measure. I emphasize once more the desirability of having the bill, after it receives

second reading, referred to the special committee set up to consider the work of the research council.

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

Mr. McIlraith: Mr. Chairman, dealing with the points raised by the hon. member I think I ought to say at the outset that, on the question of referring the bill to the committee now examining the operations of the national research council, I see no objection at all to that procedure if it appears to meet with the wishes of hon. members of the house. As to his remarks about the head of the atomic energy project at Chalk River, I think the hon. member can feel perfectly secure in the knowledge that nothing is being done that will in any way detract from the position held by that gentleman. I think we all rather share in common a high opinion of him and of the work he is doing there. The situation is simply that so far as the research council is concerned, exclusive of the atomic energy project, there has been no vice-president in charge of scientific matters. That was what was contemplated in the 1946 legislation, and by reason of the necessity of using that position for the man in charge of the atomic energy project there has been no position to which a man could be appointed.

One result is that a great deal of the time of the president of the council is taken up with general scientific meetings, and there is not sufficient time for him to give the close attention that is required to the supervising of certain of the scientific projects and the correlating of one scientific project to another. Therefore I think it becomes apparent that the position is necessary.

Mr. Green: Who is to be the vice-president?

Mr. McIlraith: As a matter of fact I do not know, but I do not think I would be in a position to say so even if I did know. I do not think we can discuss the matter of personnel at this point in the legislation. I think hon. members will agree that is most improper.

Mr. Green: I only asked because in the organization chart in the report of the national research council for the year 1948-49 there appear three vice-presidents, a vice-president, administration, a vice-president, scientific, and a vice-president and project manager. That is for the period expiring over a year ago.

Mr. McIlraith: What page is that?

Mr. Green: That is at the end of the report of the national research council for 1948-49. Therefore it would appear that there must be somebody at the moment who, while he may not be called vice-president, scientific, is doing the work.

Mr. McIlraith: I am afraid it is not just as simple as that. I am not aware of there being anyone occupying that position.

Mr. Graydon: Has somebody got the name with somebody else doing the work?

Mr. McIlraith: I do not think so. I do not know what the explanation of that statement is but certainly there is no one occupying the position now. As to the matter of the definition of inventions, I think that is something that can better be dealt with when we see the actual section of the bill when it is before the committee. The new definition is quite wide and retains the breadth of the present one. As a matter of fact it extends the present definition.

Mr. Green: What about crown companies?

Mr. McIlraith: There is just one crown company, and that is the corporation dealing with crown patents.

Mr. Green: There is only one crown company?

Mr. McIlraith: Yes, the one dealing with crown patents.

Mr. Graydon: Mr. Chairman, this gives me an opportunity to discuss another matter which I think is germane to the subject under discussion. I am sorry to have to do so in the absence of the Secretary of State. I raised the question during the last session and I do so again on this resolution because I fancy that if a change is to be made it should be incorporated in legislation such as we have envisaged here. I do not know for how many years members of the house have had continually to raise the question of the chaotic conditions of the patent office of Canada. I suggested at one stage that perhaps the government should consider carefully whether or not they should take the patent office and put in under the Department of Trade and Commerce.

I am not an expert on patent affairs, and there are not many in this house who are. I am looking at one member over there who perhaps has more experience than a good many. I know that he, along with many other patent attorneys with whom I have talked from time to time, cannot possibly be satisfied with the conditions existing at the present time in the patent office. I have been amazed that no concrete action seems to have been taken to bring the patent office abreast of modern conditions so far as business is concerned. In these days patents are a most important cog in our general industrial

machine. If our patent office is seriously behind in its work, then of course it retards the progress of business and industry.

It has been stated from time to time in and out of the house that the patent office today, while perhaps improved in its operations over what it was during the war, still has not reached the point where it really is able to serve the industrial and business public of Canada and the general public as well, because they are all affected, in the way that I think a governmental institution should. In saying that I am not casting any reflection upon a single person connected with the patent office. My feeling is that right through the whole patent office there is a feeling of despair and discouragement because of the mountain of work that lies ahead of them which they can only chip off day by day. People may say the same situation has existed in the United Kingdom and the United States. I am not able to give the committee a very clear picture with respect to the United Kingdom patent office, but I am told that the patent office in the United States has been greatly improved as the result of a drive by the government of that country to clean up the backlog of work. I think this resolution should give this committee an opportunity to discuss the whole question of patents in this country.

The Deputy Chairman: I am sorry to interrupt the hon. member, but I think we should be clear on this point so that we may know in further discussions, either on this resolution or on the bill that will follow it, whether or not it is in order to discuss the patent office and any other reforms that might be thought desirable in the Patent Act. As I see it, the resolution precedes a measure to amend the Research Council Act. In the latter part, where it mentions bringing the act into conformity with the Patent Act, it seems to me that act is being mentioned only by way of explanation—and incidentally, while this resolution may provide a good opportunity for one who desires to discuss the Patent Act, I do not think it would be in order to do so. That is my view, as I am able to analyse the resolution, and I should like that point clarified now.

Mr. Graydon: With great deference, Mr. Chairman, I differ with your ruling. I had a great deal more to say about the patent office, because I thought this a good opportunity to bring the matter before the Prime Minister and the parliamentary assistant. I do suggest that they seriously consider my suggestion and make a drive, as has been done in other countries, to clean up the patent situation.

[Mr. Graydon.]

Mr. Fraser: Would the parliamentary assistant tell us what will be the salary of the additional vice-president.

Mr. McIlraith: I am afraid I cannot give that information at the moment.

Mr. Fraser: Why cannot the parliamentary assistant give the information?

Mr. McIlraith: I don't know it. However, I shall be glad to get the information for the hon. member.

Mr. Fraser: We will have the information?

Mr. McIlraith: I can give it tomorrow on the orders of the day.

Mr. Richard (Ottawa East): I would have been glad of the opportunity to say something about the Patent Act, Mr. Chairman, but since that was ruled out of order as soon as the hon. member for Peel completed what he had to say, I will wait until the estimates are before us. In partial explanation, however, I may remind the hon. member that the patent office has been an orphan for many years. First it was under agriculture, then it was under trade and commerce, and now it is under the Secretary of State, and perhaps that explains why it is a little abandoned. But there has been progress.

Now I want to ask the parliamentary assistant whether he has a definition of "invention" under the Patent Act. That would perhaps clarify the point raised by the hon. member for Vancouver-Quadra. I think the important part of the definition is the fact that it includes composition in matter, to cover chemistry and allied sciences.

Resolution reported, read the second time and concurred in.

Mr. Fournier, Hull (for Mr. Howe) thereupon moved for leave to introduce Bill No. 179, to amend the Research Council Act.

Motion agreed to and bill read the first time.

WAR VETERANS ALLOWANCE ACT

PROVISION OF BENEFITS FOR CERTAIN FORMER MEMBERS OF FORCES OTHER THAN CANADIAN

The house resumed from Thursday, April 20, consideration in committee of the following resolution—Mr. Gregg—Mr. Beaudoin in the chair:

That it is expedient to present a measure to amend War Veterans Allowance Act, 1946, to provide benefits for certain former members of His Majesty's forces other than Canadian and for certain former members of the forces of His Majesty's allies or of powers associated with His Majesty, which forces participated with Canada in wars concluding on or before the 31st day of August, 1921, who have resided in Canada for not less than twenty years, and to provide further for decentralizing the administration of the act.

Mr. Brooks: Mr. Chairman, when this resolution was discussed about two weeks ago I was not present, but I have read the statements made at that time and I must say that I heartily agree with much of the criticism and also with much of the praise offered on that occasion. This question of extending the war veterans allowance to other than Canadians is not a new matter to come before this house. I am very pleased indeed that this benefit is being extended to these men, most of whom are imperials, who have now become citizens of our country. This is something for which the veterans committee has fought on many occasions. If you were to go through the records of that committee for the past fifteen years I think you would find there was not a session during which the granting of the war veterans allowance to imperials was not brought to the attention of that committee and the government. I think it is only a matter of justice that these men should be included.

I have sometimes wondered just what was the reason for this change of heart, why after all these years it should be recognized now that these men are entitled to consideration. I have a feeling that it may have been brought about as a result of the matter being dealt with at the time Newfoundland was brought into confederation. I know one demand made by Newfoundland at that time was that the imperials in that province be granted the war veterans allowance. It would have been an anomalous situation in the rest of Canada if the imperials in Newfoundland were granted the benefits of the war veterans allowance and those in the rest of Canada did not receive the same treatment. I wonder whether it was on that account, and perhaps the minister will tell us, that after all these years these men have received the benefits to which they are entitled.

Now that this act is being amended, Mr. Chairman, I think the government and the department could very well have made some other amendments. I believe they were forced to make the amendment regarding imperials, as I say, owing to the fact that the allowance was granted in Newfoundland. When these amendments were being made, why was it that, after all these years, and after the pressure which has been brought to bear through the different veterans committees, the Canadians who were in England during the first war were not included? They had just as much reason, and perhaps more, to be included as the imperials. It is not necessary for me to argue this point. A reading of the record of debates in this house, as well as the record of debates in the veterans committees, will reveal the reasons why Canadians in England during the first war should be included. Many of our men who went overseas with the first contingent in the first war suffered a great deal on Salisbury plains. It has been recorded that more men died of disease and exposure on Salisbury plains during the first winter than were killed by bombs in England during the first war.

There are men who never even got to England—and I am not opposing this because I was strongly in favour of dual pensions—in the first war and the second war, who are receiving war veterans allowance. It does seem to me that the men who served in England are as deserving as the men who were not allowed to go to France, for many good reasons, and they have just as much right to receive the war veterans allowance as those men who served in Canada only. It was brought out in our committee that there are men, whose only service apart from training was in France after the armistice was signed, men who served in labour battalions, men who were on the war graves commission, and men who were sent to fill up battalions before they went into Germany, who are entitled to war veterans allowances. Yet the men who served four and five years in England during the first war, and who suffered on Salisbury plains, are denied the war veterans allowance. I do think that the minister, if he had wished to do a complete job, could easily have included in these amendments the Canadians who served in England.

Arguments have been advanced for increases in the basic rates, but I am not going to take up the time of the house by repeating those. They are all recorded in *Hansard*. Then there was a point brought up the other evening, I think by the member for Nanaimo, in connection with the widows of imperials who died before they had put in the twenty years' residence required in this country. I have often wondered just why the twenty-year period was chosen. We have been told that the War Veterans Allowance Act is a form of old age pension act. We know that in the Old Age Pensions Act a man had to be in Canada twenty years before he qualified for the old age pension. Just why we should say a soldier should have to be in Canada twenty years, I do not know. The War Veterans Allowance Act is not an old age pension act. When it was first granted, it may have had some resemblance to an old age pension act, but it has been changed so radically that today it cannot be considered as a half-sister or half-brother of the Old Age Pensions Act. I believe the minister should consider reducing that period of twenty years,

and allowing those widows whose husbands were here the shorter period of time to have the benefit of the war veterans allowance.

Under the old age pension act in the United States, if a person is a resident in some of the states five years, he receives the benefit of the old age pension. In some other states one need only be a resident for one year to receive the pension benefit. Under our citizenship act anyone who comes to Canada can become a Canadian citizen in five years, so I think the five-year residence period could easily have been adopted under the War Veterans' Allowance Act for these imperials. After all an imperial soldier would be a British subject, and the five-year period would suffice to qualify. The widow of an imperial veteran who died after five years' residence in Canada could very well have been granted the war veterans' allowance. It would not have involved a large amount of money, because I think the minister will agree with me that there is not a large number of these widows, and as time goes on no doubt there will be fewer.

So far as the second part of the bill is concerned, I quite agree with the minister that the act could be better administered if it were put on a district basis. The district war veterans allowance authorities are given practically the same authority as Ottawa has. They can award, increase, decrease, annul or suspend an allowance, according to the act. All this is subject to review in Ottawa. I hope that there will be a careful supervision by the department in Ottawa to make sure that all parts of the country are being treated alike. We know that in certain provinces these matters are not always dealt with in the same way. I warn the minister he will have to be careful to see that the administration across Canada is uniform, and that there is no discrimination so far as any part is concerned.

There is another matter which I believe the minister might have taken into consideration, and that is in connection with the veterans who are indigent and live in the United States. If they come to Canada, they are required to have three months' residence here—

Mr. Mutch: Not now.

Mr. Brooks: That has been cancelled?

Mr. Mutch: That was cancelled in 1948.

Mr. Brooks: I was speaking more particularly about the old veterans who have to go to the United States because of health, or because they have to live with their families there. They have no families here in Canada. I think the minister knows of some of these people. I myself have some in mind. They have to leave this country on account of their health, or because they wish to live with their relatives in the United States, but they are not given the war veterans allowance. That is a matter which could very well have been considered when these amendments to the War Veterans' Allowance Act were being considered.

It is not my intention to labour these points any further, except to say that when the War Veterans' Allowance Act was being amended these points should have been taken into consideration. They have been brought before the war veterans committee time and time again. In the committee there was almost unanimous support for Canadians in Great Britain receiving the war veterans allowance, as there was almost unanimous support on some of these other points. As I say, these points could have been considered. I believe the imperials were included chiefly because Newfoundland demanded it when she came into confederation. It would have placed the department and the government in an anomalous position if they had not included them in every other part of Canada.

Mr. Gibson: Mr. Chairman, I was particularly glad to hear the hon. member for Royal speak tonight, because it has often appeared to me that hon. members from British Columbia particularly were the most difficult people that the government had to deal with in this house. I do not know whether we have a higher standard of living in British Columbia, or whether it is that we are hard to get along with and expect more. However, it is pleasant to know that in these representations to the government the members from British Columbia have the support of at least some of the other provinces in the dominion.

Out in British Columbia we feel that there is some merit in the contention of the veterans' organizations out there that our war veterans allowance does not come up to the payment that we make to old age pensioners. I am quite sure that the minister himself is greatly concerned on that point, because nobody likes to have it implied that we treat our war veterans in a more niggardly way than we treat our old age pensioners. We realize that the veterans get paid at an earlier age, and there are other advantages that are not given to the old age pensioners. I might say that our old age pensioners in British Columbia get hospitalization care, which is something we in British Columbia are proud of.

The minister might consider the value of establishing a standing committee on veterans affairs, as has been suggested so many times in the house. We can realize that when he

goes to cabinet he finds that there are 15 or 20 other ministers there who think that they need money just as badly as he does. It must be quite a competition and no doubt the minister who can make the most strenuous representation as to need is the one who gets the most consideration. I was wondering whether the minister would consider the virtue of having a veterans' committee standing behind him to support him in his very able endeavours to obtain more funds for his old comrades whom, I am sure, he has taken care of in a magnificent way since he became minister.

There is one thing that I should like to say to the minister in regard to the payment of war veterans allowances to imperial veterans. This is a matter that the Canadian Legion has been pressing for a great many years. It is greatly to the minister's credit that he has finally been able to submit arguments to his colleagues and has been able to prevail upon their better judgment, and thus has been successful in obtaining that concession. It does seem to me that, so far as the widows are concerned, if the man did not live the twenty years in Canada he really must have aged more quickly because of his service in France than the others, because he was not able to stand up for twenty years afterwards. I do not think there would be too much money involved. I think the minister would probably agree with that. I do not think there would be any principle involved that would not be compatible with his views and with the views of the government. As there is not too much money involved I would ask him to see if he could not persuade his colleagues to meet the wishes of the Canadian Legion in this regard.

I think Canadians are particularly proud of the veterans legislation we have. It seems that every time we pass legislation some members of the opposition rise in their places and say it is too little and too late. I do not want to be placed in that position because, in my opinion, this government and the minister have done a tremendous job for the veterans. Within the confines of the money that we are able to secure from the Canadian people in the form of taxes, the Department of Veterans Affairs have done a magnificent job in administering it. So long as I have been in the house there has been nothing but first-class administration of this department. I am particularly proud to have had a small part—and probably a very small part in supporting the government since I came here in 1945—in this legislation; but I would ask the minister to give these matters all the favourable consideration he possibly can. This is a debt which the people of Canada owe and will gladly pay.

Mr. Knowles: Mr Chairman, as one of those who spoke when this matter was up before on April 20 I intend to take only a few minutes, and to confine my remarks to just one subject. I want to say further that this is a subject to which the two previous speakers have referred. I am speaking about it to help reconstruct, if I can, the atmosphere of the house the last evening this matter was under discussion. I refer to the discovery that we made that evening that with the bringing in of the imperials and others their widows are not to qualify unless they are widows of veterans who themselves lived in Canada the full twenty years before they died, even though the widow may have been here even longer than twenty years.

I fully realize that on the evening of April 20 the minister set it out clearly and seemed to take a very firm position. But I think he will realize also that there was a feeling in the house that somehow or other the position he took was not right. Several examples were given. For example, I gave two instances of imperial veterans who came to this country both in 1925, bringing their wives with them. The first veteran died in 1944, having lived here 19 years. His widow is now in need, but she will not qualify. The other veteran managed to live until 1946. His widow will qualify. Why not treat the two widows alike? In both instances you have a widow who probably herself came from the United Kingdom and has become a Canadian citizen like the rest of us. In both cases you may have widows whose sons served in the second war. It did seem to all of us, I am sure, the other evening, that this point of discrimination was not fair.

I say, Mr. Chairman, the reason I took to my feet to say the same thing that two previous speakers have said is that I did think it desirable to reconstruct that atmosphere that was here before, in the hope that the minister has thought about the situation in the meantime. As we all know he has had the opportunity in the meantime as well of meeting representatives of the non-pensioned widows groups in this country who were here in Ottawa last week. I am sure they expressed to him their pleasure at the changes that were being made, but also their dissatisfaction on this point. I have no doubt they expressed dissatisfaction on other points as well. I would back them in the other things for which they asked, but we know that we get these things just step by step: therefore I am rising to add my support for

this one step that the house did seem to want the other night. It was asked for from all sides of the house. I hope that in the meantime, even since the minister saw the widows who were here last week, he has been able to think about this matter and move perhaps in the direction of the suggestion made that evening by the hon. member for Vancouver-Quadra.

Mr. Cruickshank: Mr. Chairman, I shall try to be brief. Speaking as a member of the Canadian Legion, let me say that we believe sincerely, as the hon member for Comox-Alberni has said, that imperial veterans' wives should be given exactly the same treatment as is accorded Canadian veterans' wives. I sincerely hope the minister and the government will consider at least bringing the war veterans allowance up to that accorded old age pensioners. We all know the cost of living has gone up.

There is no partisanship where veterans are concerned, and we all know that while the people of Canada might question some kinds of taxation, they will never question taxation which will have the effect of giving veterans, and particularly the dependents of veterans, a fair deal.

Mr. Gillis: I do not wish to labour this matter. However, I have listened with a good deal of attention to what other hon. members have said. There are just two thoughts I would leave with the minister, and concerning which he may have something to say later on. I believe the worst kind of discrimination lies in the fact that the widow of the veteran of the first war who saw service in England, even under the present arrangement, is not entitled to the war veterans allowance. Those widows at this time are aged and in many cases incapacitated and not able to earn for themselves. On the other hand the widow of the veteran of the second world war, who is much younger, and perhaps in a better position to look after herself, can qualify under certain circumstances. I suggest that even yet the minister should consider preparing a regulation which would wipe out that kind of discrimination.

Then, I am also concerned—and I use that word advisedly—about decentralization of administration. I have known the minister for a long time, and I have never had any difficulty in arriving at a fair arrangement under the legislation. I have found in many cases however that when one gets down to the provincial level, where the act is administered, there is difficulty. I should like to have my mind clarified as to whether decentralization means that the minister wants to divorce himself from certain responsibilities and if, on the other hand, this change would pave the way for more jobs, more patronage and a more inefficient administration at the provincial level.

It is my view that the minister should retain as much power as possible to direct and supervise this legislation. I do not believe decentralization will make for better administration; I believe it will mean greater inefficiency. It will divorce the minister and the board in Ottawa from many decisions which will be made provincially, and in my opinion this move will not react in the best interest of the veteran.

I have agreed with the minister on many occasions. We have agreed to have certain things done, but when these matters have reached the provincial level it appeared that officials at that level had more authority than the minister had, or than the department in Ottawa had. The result has been a good deal of confusion—and I am not referring to veterans allowances, but to other problems.

I would ask the minister to clarify my mind as to the meaning of decentralization of administration as it is applied here. I should like to see the minister responsible to the House of Commons, where the basic legislation is written, placed in a position where he can come to the house and accept responsibility for any decision made by his department at any time and at any level.

Mr. Green: Mr. Chairman, I do suggest the minister should answer the various suggestions that have been placed before him. When the resolution was under consideration two weeks ago tonight I raised several points, and I have no intention of repeating them now. Toward the end of the sitting, however, several of us did suggest that further consideration be given to the eligibility of the widow of the imperial veteran.

Thinking the matter over during these two weeks I am convinced we were right when we said everyone thought the test would be whether the veteran came here twenty years ago. If he came here in 1930 or before, then he should be considered as qualified. As a matter of fact I do not know why we should insist upon his having been here for twenty years. But if that time is set, then surely the test for the widow should be whether the husband came here in 1930 or before. If he did, she should be considered eligible. Otherwise there are many of these widows who cannot qualify for the allowance. In my judgment that would be a most unfair situation.

I believe it is the wish of the house and certainly of all veteran members in the house that the legislation should be made to include the widow of any imperial veteran who came

here at least twenty years ago, as was suggested by the hon. member for Comox-Alberni.

Then, I hope the minister will explain whether or not these payments are to be retroactive. I suggested two weeks ago that they be dated back to December 10, when the parliamentary assistant made the announcement. I would point out that for many months now investigations have been under way in the department. All imperials who were thought to be eligible have been asked to fill out forms and to give information. I would hope the allowance would be made retroactive at least to the date of the announcement last December.

I should like to have some clarification on the proposal to decentralize the administration. It has been explained that this means that decisions will be made out in the districts as to whether or not veterans or widows are eligible for allowances. Personally, I believe this is a wise change. But what is to be the position once a veteran is granted that allowance in the district? Will it then be possible for the war veterans allowance board in Ottawa to upset that decision, if it is favourable to the veteran?

I submit that if the veteran can qualify before the district officer or the district board, or whatever body is set up, then he should get the allowance without being placed in danger of having it upset by a board of review here in Ottawa. It is all right to have a board of review in Ottawa to look into the cases where veterans have lost out; but I hope we will not have a condition whereby many of these veterans will receive their allowances in the local districts and then be faced with the possibility of having them taken away by the board of review in Ottawa who have not seen the veteran and who could not possibly have the same understanding of the conditions he faces. The minister has not made clear what the position will be with regard to this review board and I hope he will do so this evening.

Mr. MacInnis: Mr. Chairman, before this resolution is carried I should like to say a word or two. I have received many requests from veterans' organizations in my constituency and I wish to add my voice to those that have been raised already and urge the minister to include the widows of imperial veterans in this amendment. I am not going to enlarge on the subject because matters affecting veterans are always well taken care of by the veteran members in this house and it is not necessary for one who is not a veteran of either war, like myself, to deal with matters with which perhaps I may not be as familiar as with other matters. But I do urge the minister to give favourable consideration to this request. I do not believe the cost would be great, and even if it were he would simply be doing justice to those widows whose husbands passed away before the government extended these war veterans' allowances to imperial veterans.

While I am on my feet I should like to refer again to a case I have mentioned on many occasions, particularly during the last session. I had considerable correspondence with the minister and with the war veterans' allowance board in connection with this case. This was a case where the income was not revealed and it was necessary ultimately to take the case to court and prosecute the war veteran concerned. I am glad that the case has been settled and I want to tell the minister that I appreciate very much what in my opinion has been a generous settlement. It was the wife of the veteran rather than the veteran himself who corresponded with me. She told me that the lawyer prosecuting was on her side as well as on the other side. Again I wish to thank the minister for the satisfactory settlement that has been made of what I believe was a somewhat difficult case.

Mr. Cruickshank: I should like to say one further word if I may. I heartily approve of the grant of the $500,000 that was provided last year to supplement payments under the War Veterans Allowance Act, but I should like to reiterate the objections I have taken to the administration of that act. The parliamentary assistant has done his best to correct many of the mistakes that have been made, but it is my belief that a more simplified form of administration should be brought into effect.

I have seen the forms and I have listened to the investigators questioning war veterans allowance applicants or recipients. I know of one case in my riding of a man eighty-four years of age. I will not say that the advice he received from me was particularly good, but with that advice he had the advice of the Canadian Legion and two lawyers to enable him to fill out the form correctly. If my memory serves me aright he was granted a supplementary allowance of $10 per month until the end of September.

I am urging that the payment of these allowances be made more readily available. It should not be necessary for a veteran eighty-four years of age to have to go through all this red tape in order to secure the allowance until the end of September. At that time he will have to apply again and go to the Canadian Legion or to other people in order to have it extended for another short

period. I think it is the wish of this parliament and of the people of Canada that this supplementary allowance should be paid during the remaining lifetime of a man eighty-four years of age in order to bring him up to the maximum of the amount received by an old age pensioner in my province.

The regulations should be more reasonable. This particular veteran served in three wars. I do not believe in calling this a burnt out pension; I believe it is something to which these men are entitled as of right and the amount they receive should at least be equal to that given our older citizens who receive it without having to go through all this red tape.

Mr. Mott: Mr. Chairman, I believe there are nineteen returned soldier organizations and auxiliaries in my constituency and I do not think it is necessary for me to say how many requests I have received in connection with the payment of these allowances to widows of imperial veterans. I cannot help but support what has been said already in regard to this matter. I realize there are some complications and it may be difficult to find the proper solution. After listening to the discussion of a week ago I have reached the firm belief that a veterans committee should be set up so that we may go more thoroughly into this question and have more information than we are able to get in the house itself.

The Department of Veterans Affairs has done a wonderful job and the minister is to be congratulated. I have no complaints to make because I have been welcomed by all officials in the department. I feel that everything possible should be done to carry out what is an obligation to a certain extent to the widows of imperial veterans or of other allied forces who fought with us in the first war. Take a widow fifty-five years old. If she has been working at all she may be able to draw unemployment insurance, and that department will have to pay. If she cannot secure help from that particular department there is the widow's pension for which she may be able to qualify. If she can, naturally another department will have to pay. Then there are the social services of the municipalities towards which both the dominion and provincial governments contribute. She may be able to qualify for help there. In one way or another she will have to receive help from some government source. I think it is only right and proper that we should take this matter under consideration and do everything possible for the widows of imperial veterans and their allied associates.

Mr. Jones: As an imperial veteran who has had a good deal to do with imperial veterans in Canada for a number of years I should like to endorse what has been said by the last two speakers, particularly the member for Fraser Valley, as to the plight of widows of imperial veterans. I do not know how many are in distress but I assure you that several of them need assistance. I think it is rather degrading that the widows of men who served so nobly in the 1914-18 war must resort to charity or to the support of city councils in our smaller towns in order to live. As long as that blot remains it is most difficult for those who served in both wars to feel honestly and sincerely happy that everything possible is being done for these people. Our comrades who married these women have now passed on. I feel it is up to us who remain to fight for their widows. I am proud and pleased that the Canadian Legion women's auxiliaries right across the dominion have taken up the cudgels on their behalf. I appeal to the minister before it is too late to incorporate some protection in the bill for these widows that will place them at least on an equal basis with the widows of Canadian veterans since the service of their husbands burnt them out before their time.

As to the $10 bonus that has been given, in common with all other veterans I have noticed the small number who actually receive it. I feel that the red tape attached to the giving of the bonus should be lessened somewhat and that there should not be quite so strict an investigation into the needs of the person applying. I feel that many of these veterans are denied the extra $10 merely because they own a little home or get the odd job as a janitor and so on to help them struggle along. I did not think it was ever the intention of the house or the minister to make it so difficult to secure the extra bonus. I ask the minister to consider lessening the strings attached to the giving of the $10 in this measure, and also to look after the widows of imperial veterans.

Mr. Noseworthy: Mr. Chairman, I had the privilege a week ago of attending a conference of imperial veterans from my riding and many adjoining ridings of western Ontario. I want to assure the minister that there was considerable jubilation over the prospect of this legislation being made effective and the possibility of the imperial veterans receiving the veterans allowance. They felt it was a victory and they thought much of the credit for it went to the work which veterans organizations had been carrying on for fifteen years. My information from them was that they had been fighting for at least fifteen years to secure this legislation. They were concerned about the plight of widows, but I think the position they took was a rather

unfortunate reflection on the way in which veterans have been getting assistance. They took the position that under the present circumstances it would be unwise for them to press for any further advantages than were provided in the proposed legislation. They were afraid to press the claims of the widows lest in doing so they should delay the passage of the legislation.

Their one concern was that the imperial veterans should first secure legislation in their favour, and that once it was placed on the statute books they would then push for improvements. The feature of it which struck me as rather unfortunate was the impression that the only way in which veterans can secure such legislation is by continually pushing the government until finally it surrenders to their claims. Their feeling was that they would get this and then they would start pressing the government in order to get something for the widows. As an outsider my suggestion is that from the standpoint of the government it would be much more to their credit to make some of these concessions without veterans having to push the government for a number of years in order to secure what they want.

They raised two questions which I should like the minister to answer. I think I know the answers, which I was able to give to them, but it would be satisfying to have the minister put them on record. There appeared to be some doubt whether imperial veterans who qualify for this benefit in every respect except that they are not sixty years of age, who are incapacitated, in hospital, indigent, without any means of support, would be eligible for veterans allowance under the act in the same way as other veterans. The second question they raised was just what procedure imperial veterans should take in order to be sure of getting the benefits as soon as possible. What procedure are they expected to follow in order to be eligible to receive the benefits at the earliest possible date? Those are the two questions that were raised.

Mr. Gregg: First of all I should like to acknowledge the suggestions that have been made in the twenty-five speeches made two weeks ago and tonight. A good deal of the discussion has been partly directed at the resolution and partly at the War Veterans Allowance Act. I make no complaint whatsoever about that. I mention it merely as a preface to this suggestion. If the committee is willing, I should like to see the resolution moved forward tonight. I do not think the committee would expect me to deal in full with the many questions raised concerning the act. I shall take a moment to mention a number of the special points made about the resolution. If I miss any that were made two weeks ago or this evening I can assure hon. members that I shall be glad to deal with them at a later stage.

The other evening the hon. member for Nanaimo asked if I could state the number of widows who have resided in Canada for twenty years but whose husbands died before they had acquired that length of residence. I regret to say it is not possible to make anything like an accurate estimate of that number. The survey made by our department and the organizations that have been named dealt primarily with veterans. As hon. members know, in all our veterans legislation any benefits accruing to wives or widows come to them through their veteran-husbands, when alive, or after their death. In that connection, therefore, I reiterate what I said two weeks ago. In this resolution and the bill which will follow it we are placing every British and allied veteran who has been resident in Canada for twenty years on exactly the same footing, for all purposes with respect to war veterans allowance, as the Canadian-born or those domiciled in Canada before they enlisted. If we do that for the veterans then I repeat that we would be creating some inequity if we made some special arrangements on behalf of widows for whom we have no such arrangements under any other of our veterans legislation. I might add, further to what I said in reply to this question, that the understanding of the organizations which have worked with us for at least the last two years in studying this problem, that is the imperial division of the Canadian Legion and the British-Canadian Veterans Association of the Veterans' Council of Canada—headed by that very capable gentleman to whom the hon. member for Wentworth paid tribute the other evening—has been exactly on that basis. That is verified by some suggestions put out by their respective periodicals in advance of this legislation coming into effect.

Then in reply to the hon. member for Cape Breton South I would say that as the act now stands the minister has no authority whatever to influence the award of any war veterans allowance in any degree. I should like to reassure him, and others who mentioned the matter, that there will be uniformity in the administration of the act under the plan suggested. The decision will be reached in the district, but it will be a joint decision where in difficult cases it is necessary for the district authority to consult with one or more members of the

board. There will be no division of authority as between the board in Ottawa and the district authority as far as assessing a claim is concerned.

Then the suggestion was made that the allowance should be retroactive. It was announced that when the act goes into operation it was the intention to have payments begin as of the first of this fiscal year. As has been suggested here, a great many of these applications have come into our district offices, either through calls or in letters, since the parliamentary assistant made the announcement at the end of last session. Perhaps most of them have come in by now. When this legislation receives the royal assent and the districts can then complete the work already started, it is our intention that those who have applied, whether formally or informally, prior to or by April 1, 1950, and whose applications shall be approved, will receive the allowance as from April 1.

I think I shall leave the other matters until a later stage, and again I assure hon. members that at that time I shall be glad to discuss them fully.

Mr. Green: Would the minister explain a little more clearly what he means by a joint decision? Does that mean that an applicant in Vancouver must go before some board in the Vancouver district, but that such board will not have power to grant the allowance; that he will have to wait for approval by somebody here in Ottawa? If that is the case not very much time will be gained by having these decisions made in the districts. My understanding was that the board in the district would have power to make a decision, one purpose being that in this way payment would be made more quickly. Now, apparently, someone here in Ottawa is to be involved in that decision; someone here will have a part in it. I should like the minister to give us some further explanation as to just how that will work out.

Mr. Gregg: I do not propose to attempt to state in detail what the administrative arrangements will be, but I may tell my hon. friend this. It is the intention that the district authority shall indeed assess and decide upon what one might call the ordinary applications.

Mr. Green: And put them in payment?

Mr. Gregg: And put their decisions into effect as soon as they are reached. As I stated the other evening, most of the recommendations sent to Ottawa in the past have been approved. However, there will be borderline cases, which would be those that would make for lack of uniformity, the warning against which has been stressed here this evening. In those cases the local authority will consult without delay with the visiting member or members of the board in order to reach a decision, and when that decision is reached it will be put into effect.

Mr. Green: If the local board makes a favourable decision will there be any danger of that decision being upset by the review board here in Ottawa?

Mr. Gregg: Any decision in connection with the war veterans allowance is subject to review at any time, but under this arrangement it will not be any more subject to review than it has been in the past.

Resolution reported, read the second time and concurred in.

Mr. Gregg thereupon moved for leave to introduce Bill No. 180, to amend the War Veterans Allowance Act.

Motion agreed to and bill read the first time.

CANADIAN NATIONAL RAILWAYS

APPOINTMENT OF GEORGE A. TOUCHE AND COMPANY AS AUDITORS

Hon. Lionel Chevrier (Minister of Transport) moved the second reading of Bill No. 86, respecting the appointment of auditors for national railways.

Mr. Green: Is the minister going to make a statement?

Mr. Chevrier: May I make a statement in committee?

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

On section 1—*Auditors.*

Mr. Chevrier: Mr. Chairman, this is the usual bill introduced every year for the appointment of auditors for the Canadian National Railways. It is in the same form as it has been for the last number of years. The bill is based on the Canadian National-Canadian Pacific Act, but that act provides for the appointment of auditors by way of a joint resolution. Since that method has been found cumbersome in the past, it has been thought by the government that the method of appointment should be by bill, as in this instance.

This bill seeks the appointment of George A. Touche and Sons, a firm of chartered accountants whose offices are in both the city of Toronto and the city of Montreal. For all purposes, the bill is in the same form as that of last year.

Mr. Green: This is the first year a bill has been brought in in this particular form?

Mr. Chevrier: No, the form is the usual form.

Mr. Knowles: Mr. Chairman, I take it from the smile on the minister's face that he is expecting the question I am going to ask. Has consideration been given since last year, or the year before, to the proposal that has been made by various members in this house, including on one occasion the member for Coast-Capilano, that the auditing of the accounts of the Canadian National Railways be done by the Auditor General?

Mr. Chevrier: Yes, the proposal has been given consideration, but for the reasons given last year and the year before the government has not seen fit to appoint the Auditor General for the purpose of auditing the accounts of the Canadian National Railways.

Mr. Knowles: Wrong again.

Mr. Adamson: What is the fee this company receives?

Mr. Chevrier: The fee is $55,000 per year. It has been increased since 1946 when it was $51,000.

Section agreed to.

Bill reported.

Mr. Deputy Speaker: When shall this bill be read a third time?

Mr. Chevrier: Now.

Mr. Knowles: By leave.

Mr. Chevrier moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

ONTARIO-MANITOBA BOUNDARY

AMENDMENT OF MANITOBA AND ONTARIO BOUNDARIES EXTENSION ACTS

Hon. Alphonse Fournier (for the Minister of Mines and Technical Surveys) moved the second reading of Bill No. 87, to amend the Manitoba Boundaries Extension Act, 1912, and the Ontario Boundaries Extension Act.

Mr. Stanley Knowles (Winnipeg North Centre): Before this bill is read the second time, could the hon. member for Winnipeg South Centre (Mr. Maybank) say whether this bill adds to or subtracts from the province from which he and I come?

Mr. Ralph Maybank (Winnipeg South Centre): The bill takes away a few feet from Manitoba. More or less jocularly I answered the member for Peel (Mr. Graydon) one day, and told him it took some away from Ontario, but it is the other way about.

It arises from this fact, that there was a point established between the two provinces, a point at either end of the line. At a later time a survey was made from the lower point towards the higher point. When the surveyors got up to the point they were a little out of the way from the point that had been originally established. Now, the boundary commission made up of representatives of Ontario, of Manitoba and of the dominion desired to monument that line. It is very much easier to ask that this boundary as now set out in this bill be established and be monumented at a cost of $12,000, rather than go to the very great expense of resurveying to make sure at which place the particular point ought to be. That is about all there is to the bill.

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

On section 1—*Construction of certain sections.*

Mr. Herridge: Would the member for Winnipeg South Centre inform us as to the distance of the error in the survey and the area concerned?

Mr. Maybank: I think it is in the neighbourhood of about thirty feet.

Mr. Knowles: Linear, square, or cubic?

Mr. Maybank: It is only a few feet, at any rate. Then, of course, that makes one big triangular piece.

Mr. Knowles: There is no pipe line through there?

Mr. Maybank: No, and I do not think it is suitable to build a pipe line.

Section agreed to.

On section 2—*Coming into force.*

Mr. Knowles: Can the hon. member say whether the two provinces have acted in this matter as yet?

Mr. Maybank: The provinces have indicated not merely their consent, but their desire. I do not think it has come in formally, but the act will not be proclaimed until the formal consent is in. It is for that reason the bill says it will come into force when proclaimed.

Section agreed to.

Bill reported.

Mr. Deputy Speaker: When shall this bill be read the third time?

Mr. Fournier (Hull): Now.

Mr. Knowles: By leave.

Mr. Fournier (Hull) moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow is transport day. There is resolution No. 12 on today's order paper concerning the grade crossing fund. There is Bill No. 135, an act to amend the Department of Transport Stores Act, and Bill No. 153, an act to amend the Aeronautics Act.

Mr. Green: We have had the latter bill for only a day or two. Could we have a little time on it?

Mr. Fournier (Hull): We shall leave it, but it will be the last one, and we shall probably go into supply.

Mr. Chevrier: If the hon. gentleman wants some time, he may have it.

Mr. Fournier (Hull): We shall go into committee of supply and take up the estimates of transport. If we conclude that we shall go ahead with the estimates of veterans affairs.

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

HOUSE OF COMMONS

Friday, May 5, 1950

The house met at three o'clock.

PRISONERS OF WAR

REFERENCE TO ANSWER TO QUESTION ON MAY 4

Mr. G. R. Pearkes (Nanaimo): Mr. Speaker, I rise on a question of privilege affecting myself and other members of the house. Yesterday I was informed that an answer had been given to a question I had placed on the order paper concerning Canadian prisoners of war. The question was in two parts. The first dealt with numbers and the second with the total man days Canadians had been detained.

The answer to the first part was complete, but the information I asked for in the second part was denied, the statement being made that this information could be obtained only by a review of each of the files of the 9,552 prisoners of war. Representations have been made to me and to other members of the house that Canadian prisoners of war be paid one dollar for each day of their internment, similar to the amount that it is claimed was paid in the United States. Without knowledge as to the total number of man days Canadians were detained, it is impossible to assess how practical this suggestion is. Therefore I would request that the question be replaced on the order paper, and that I be given the information I desire.

TRADE AND COMMERCE

TABLING OF BOOKLETS PREPARED BY DEPARTMENT

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I should like to lay on the table two booklets prepared by the Department of Trade and Commerce, the first of which is entitled "Canadian Industrial Development Manual" and the second "Expand With Canada". These booklets were prepared for distribution abroad. The information contained therein is designed to assist foreign businessmen in the establishment of industries in this country, and also to further the expansion of the export trade to Canada. Hon. members may be interested in looking over these examples of Canadian publicity designed for our markets abroad.

PUBLIC WORKS

UNEMPLOYMENT—SURVEY OF GOVERNMENT PROJECTS

Mr. George Prudham (Parliamentary Assistant to the Minister of Resources and Development): Mr. Speaker, on May 1 the hon. member for Winnipeg North Centre (Mr. Knowles) inquired about the answers given to a set of questions asked by him. The answers appear at page 1569 of *Hansard*. The hon. member suggested that some of the answers are contradictory, and referred particularly to the answer to the second question. That question was:

When was this survey made, on what date were the results thereof reported, and to whom?

The answer given was:

From April to September, 1949. The results were summarized in the annual report of the Department of Reconstruction and Supply for the fiscal year ending March 31, 1949, page 506, tabled in parliament on November 14, 1949.

This answer is correct. However, I appreciate the point raised by the hon. member. The survey was made between the dates mentioned, which were after the end of the fiscal year covered by the report. Annual reports tabled by departments are prepared after the year has ended. By the time the report for the Department of Reconstruction and Supply had been prepared, the survey referred to was completed, and therefore a reference to it was made in the introduction to the report which was tabled on November 14, 1949.

Mr. Knowles: Should not that reference to the pages in the report be "pages 5 and 6" rather than "page 506"? It is only a sixteen-page booklet.

Mr. Prudham: It should be "pages 5 and 6" of the report.

Mr. MacInnis: I should like to ask the Minister of Resources and Development a question arising out of the answer his parliamentary assistant gave to the hon. member for Winnipeg North Centre. He said that the report of the department for the fiscal year ending March 31, 1949, contained information with respect to a survey that had been made between April and September of that year. Is it understood that the reports of departments contain information beyond the dates which

they are supposed to cover? This is a peculiar situation, and hon. members ought to be advised as to the facts.

Hon. Robert H. Winters (Minister of Resources and Development): In his answer to the hon. member for Winnipeg North Centre the parliamentary assistant said clearly that the reference to the survey was made only in the introduction to the report for the year ending March 31, 1949.

Mr. Knowles: I should like to ask the Minister of Resources and Development to take a further look at this whole matter. I do not think the answers tally.

COMMITTEES OF THE HOUSE

STANDING ORDERS—CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. Matthew MacLean (Cape Breton North and Victoria) moved:

That the first report of the standing committee on standing orders, presented to the house on Wednesday, May 3, 1950, be concurred in.

Motion agreed to.

PUBLIC ACCOUNTS—RADIO BROADCASTING—CHANGES IN PERSONNEL

Mr. W. G. Weir (Portage-Neepawa) moved:

That the name of Mr. Kirk (Digby-Yarmouth) be substituted for that of Mr. Isnor on the standing committee on public accounts.

That the name of Mr. Kirk (Antigonish-Guysborough) be substituted for that of Mr. Isnor on the special committee on radio broadcasting.

Motion agreed to.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 162, for the relief of John Allen Young.—Mr. Winkler.

Bill No. 163, for the relief of Laura Kathleen Potter Stewart.—Mr. Winkler.

Bill No. 164, for the relief of Edna Hannah Keene Ley.—Mr. Winkler.

Bill No. 165, for the relief of Ada Freidman Mendelsohn.—Mr. Winkler.

Bill No. 166, for the relief of Ann Mitchell Rabinovitch.—Mr. Winkler.

Bill No. 167, for the relief of Ernest Joseph Poirier.—Mr. Winkler.

Bill No. 168, for the relief of Maria De Gregoria Zarbatany.—Mr. Winkler.

Bill No. 169, for the relief of Jean Paul Verret.—Mr. Winkler.

Bill No. 170, for the relief of Gladys Eileen Hungate Norman.—Mr. Winkler.

Bill No. 171, for the relief of Marie-Anne Alice Lalonde Campey.—Mr. Winkler.

Bill No. 172, for the relief of Sadye Gasn Blidner.—Mr. Winkler.

[Mr. MacInnis.]

Bill No. 173, for the relief of Lera Mary Rombough Kirkey.—Mr. Winkler.

Bill No. 174, for the relief of Micheline Loranger Major.—Mr. Winkler.

Bill No. 175, for the relief of Jane Letitia Hardie Ball.—Mr. Winkler.

Bill No. 176, for the relief of Russell Mowbray Meredith.—Mr. Winkler.

BUSINESS OF THE HOUSE

STATEMENT AS TO FURTHER LEGISLATION

On the orders of the day:

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, before the orders of the day are proceeded with I should like to give to the house an indication of the measures it is expected that the house will be asked to consider during the present session in addition to those already on the order paper. Hon. members will recall that this information was asked for some days ago by the hon. member for Peel (Mr. Graydon), and the leader of the opposition (Mr. Drew) mentioned it again on Wednesday.

There will of course be the budget legislation, the appropriation bill, and the usual measure respecting the financing of Canadian National Railways. The Minister of Finance also plans to introduce amendments to the following statutes: Foreign Insurance Companies Act; Canadian and British Insurance Companies Act; Tariff Board Act; Trust Companies Act; Loan Companies Act. I understand that all these amendments are of a minor nature to facilitate the administration of the statutes.

It is expected that there will be legislation to revise the Consolidated Revenue and Audit Act and to implement the tax agreement with France.

The Minister of Agriculture plans to introduce a measure respecting the Cold Storage Act. This is merely to repeal part II of the act, which has never been applied, and for the purposes of which there is now other legislation which is being used.

The Minister of Citizenship and Immigration will have a bill to revise the Indian Act, and may also have an amendment to the Canadian Citizenship Act. The Minister of Justice may introduce an amendment to the Official Secrets Act, and a statute law amendment bill respecting proceedings by and against crown corporations, to facilitate the recourse of individuals against such corporations.

The Minister of National Revenue plans to bring in an amendment to the Customs Act. The Postmaster General expects to have an amendment to the Post Office Act.

The Minister of Trade and Commerce plans to present a bill respecting defence purchasing, as well as amendments to the following statutes: Canada Grain Act; Gas Inspection Act; Electricity Inspection Act.

The Minister of Transport has an amendment to the Canada Shipping Act, which has been referred to already in debate. In addition to legislation, it is expected that there will be resolutions to approve the international convention on northwest Atlantic fisheries and the world meteorological convention.

Various departments are giving consideration and have been giving consideration for some time to certain other measures, and it is possible that some of these may be introduced and given first reading so that they may be available for consideration by hon. members and the public during the parliamentary recess. It is not expected that there will be any desire to have them enacted into legislation at this session. It has frequently been found to be satisfactory to members of the public who are interested to have bills read the first time and distributed so that in the recess they may receive consideration and representations may be made in connection therewith.

While I am not in the confidence of my colleagues with respect to it, I understand that there may be a bill respecting a residence for the Prime Minister.

Hon. members will realize that unforeseen circumstances or developments may require parliament to consider some additional matters, but that does not appear to be likely. I think what I have indicated, together with what we have on the order paper, will complete the list of matters to which we shall be inviting consideration at this session.

INDIAN ACT

QUESTION AS TO PROPOSED REVISION

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): May I ask the Prime Minister a question arising out of his recital of the various legislative matters that are to be brought before parliament this session? I have reference to the proposed revision of the Indian Act. I am sure that other hon. members have received many letters, as I have, with regard to this matter; and I could refer particularly to one letter which was directed to me by an Indian living in Saskatchewan.

From all provinces letters have been received from Indians, interested as they are in the revision of the act, asking that before the amendments are actually introduced they be given an opportunity to send representative chiefs and other head men of their tribes to consult with members of the government to the end that the source of their complaints may be removed in the amending legislation.

I make this suggestion in the spirit of trying to remove all resentment, unjustified no doubt as it is, in particular arising from the hunger strike of Jules Sioui. Apparently his action has aroused the representatives of the Indian reservations throughout Canada. If the Prime Minister can see his way clear to arrange it before the legislation is introduced, I think a meeting with the Indian chiefs would go a long way toward removing this feeling of resentment.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I appreciate the tone of the representations made by the hon. member for Lake Centre (Mr. Diefenbaker), and the spirit in which he made them. Nevertheless it is our understanding that the Indians are anxious to have this legislation brought before parliament. This matter has been discussed. The department felt it had all the information required for the drafting of the legislation, and that it would be desirable that the bill be given first reading and be distributed, and then that a sufficient lapse of time be allowed so that interested chiefs and other members of their bands may see what it contains and make representations. Of course it is legislation in the interests of the Canadian nation, but more particularly for the Indians themselves. If it appeared from their reaction to the bill that they would prefer not to have it adopted at this session but rather to have further discussions with them and further consideration of the legislation, their views would be given sympathetic consideration.

Without any date having been fixed as a target yet, I think we all hope that parliament will not remain in session for many more months. I believe it would be desirable, in order to respect a healthy tradition, namely, that bills should not be communicated to anyone before they are presented to members of parliament, that we should proceed with the first reading so that the bill may be made available, and then give it as wide circulation as may be desirable in order that the first citizens of Canada in chronological order may feel that we are doing our best to deal with the problems in which they are so vitally interested.

FISHERIES

RESTRICTED AREA FOR BOMBING RANGE OFF NORTH COAST OF P.E.I.

On the orders of the day:

Mr. W. Chester S. McLure (Queens): Mr. Speaker, I desire to direct a question to the

Minister of National Defence. Has the minister established, or is he planning to establish, a restricted bombing range area for the R.C.A.F. of Summerside off cape Turner or Orby Head on the north shore of Prince Edward Island? If so, will the minister explain what this means, and how fishing interests will be protected?

Hon. Brooke Claxton (Minister of National Defence): Mr. Speaker, I think the hon. member put the same question to my colleague the Minister of Fisheries, a few days ago.

Mr. McLure: And did not get an answer.

Mr. Claxton: I have nothing to add to the answer then given.

Mr. Fleming: Nothing plus nothing equals nothing.

TELEVISION

QUESTION AS TO PROVISION OF SERVICE IN VANCOUVER AREA

On the orders of the day:

Mr. Arthur Laing (Vancouver South): I should like to direct a question to the Minister of Resources and Development, who is acting for the Minister of Mines and Technical Surveys. Has the minister received any official representations from Vancouver seeking the establishment of television broadcasting in that area? If not, has any consideration been given to the provision of television service in the general Vancouver area?

Hon. Robert H. Winters (Minister of Resources and Development): I have received no such communication. I can assure the hon. member that if an application is received through appropriate channels, it will be given every consideration.

PRAIRIE FARM ASSISTANCE ACT

QUESTION AS TO INTRODUCTION OF AMENDMENTS

On the orders of the day:

Mr. Victor Quelch (Acadia): I wish to address a question to the Prime Minister. In the earlier part of the session the Minister of Agriculture (Mr. Gardiner) stated that it was his intention to introduce amendments to the Prairie Farm Assistance Act. The Prime Minister did not mention that in his list.

Mr. Ross (Souris): It is on the order paper.

Right Hon. L. S. St. Laurent (Prime Minister): There is notice on the order paper of the introduction of a bill to amend the Prairie Farm Assistance Act, 1939. It was not proceeded with yesterday or today because, although the law officers had expressed the opinion that it did not require a resolution, we were afraid that there might be some discussion on the point. We thought it would be time lost to have such a discussion, and that it would be easier to bring in a resolution than to waste time deciding whether or not one was required.

SALES TAX

CIGARETTES AND TOBACCO—ABOLITION ON PURCHASES BY VETERANS IN MILITARY HOSPITALS

On the orders of the day:

Mr. J. H. Rooney (St. Paul's): I should like to direct a question to the Acting Minister of National Revenue and have him take it as notice and give an answer as soon as possible, but before the session ends. For some time I have been asking for consideration of the question of abolishing the tax on sales of cigarettes and tobacco to veterans in military hospitals. I believe all members on both sides of the house would like to see this accomplished.

Mr. Speaker: Order. At this time the hon. member may ask a question, but he is not allowed to make a speech or advocate the removal of a tax.

Mr. Rooney: I should also like to ask—

Mr. Speaker: Order. I am afraid I cannot allow the hon. member to proceed at this time.

RAILWAY ACT

AMENDMENT TO INCREASE ANNUAL GRANT TO GRADE CROSSING FUND

Hon. Lionel Chevrier (Minister of Transport) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Railway Act to increase the annual grant to the grade crossing fund from $500,000 to $1,000,000 for six consecutive years from April 1, 1951.

Mr. Green: Will the minister make a statement, please?

Mr. Chevrier: Mr. Speaker, the object of the resolution is to increase from $500,000 to $1 million the amount which may be paid into the grade crossing fund. There will also be a provision to increase the payment which may be made in the case of any one project from $100,000 to $150,000.

I think it might be useful to the house if I were to give a short historical analysis of the grade crossing fund and the various changes, whether by way of amendment or otherwise, which have taken place from time to time.

The fund was established in 1909 by 8-9 Edward VII, chapter 32, section 7, which appropriated and placed to the credit of the fund $200,000 per annum for five years from April 1, 1909. Under this statute not more than twenty per cent of the cost of construction work could be paid out of the fund.

In 1914 the annual grants of $200,000 were extended for five more years. In 1919 those grants were extended for ten years from April 1, 1919, and it was provided that not more than twenty-five per cent of the cost of construction work could be paid out of the fund, with a further provision that not more than $15,000 could be paid in the case of any one crossing or for any one project. In 1926 the act was further amended to provide that the amount payable out of the fund in the case of any one crossing should not exceed forty per cent of the total cost, and should not in any case exceed $25,000. In 1928 the limit was increased to $100,000. In 1929 the annual grants of $200,000 were extended for ten years from April 1, 1929.

Between 1934 and 1939 additional amounts were credited to the fund under various statutes. No additions were made to the fund between April 1, 1939, and April 1, 1947, but by chapter 70 of the statutes of 1947 the fund was to be credited with $200,000 per annum for ten years from April 1, 1947. Again, by chapter 27 of the statutes of 1948, the annual amount to be credited to the fund for the nine years commencing April 1, 1948, was increased to $500,000.

As I have stated, this legislation will increase the annual grant for a period of six years to $1 million, beginning April 1, 1951. The house might like to have on record the amounts paid out of the fund over the last few years, which have been as follows:

1946-47	$227,318
1947-48	250,520
1948-49	293,916
1949-50	581,385

Mr. Brooks: Would the minister give the amounts by provinces?

Mr. Chevrier: I have those figures, but I think they should be given at the appropriate stage on the bill.

Payments authorized to be made out of the fund, as the house will have noticed from the statement I just gave, have increased consistently in the last few years, and because of that fact it has been found necessary to bring in the bill which will be founded upon this resolution. Many projects involving large grants from the fund are in prospect at the present time, and the board expects that over the next seven years applications for grants will continue to increase.

Another reason for bringing in this legislation at this time is the increase in the cost of construction. It is felt that the limit of $100,000 upon any one project, which was established in 1928, is no longer sufficient, because in 1950 costs have increased greatly, as the house knows. For that reason authority will be sought to raise the amount that may be allocated to any one project to $150,000.

There is more information that can be given at a later date, but I think what I have said should be sufficient for the resolution stage. I have no doubt this measure will commend itself to the house.

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, the railway grade crossing fund is always an interesting subject of discussion. In his review of the history of the fund the minister has indicated that the present resolution contemplates two broad purposes, the first being to increase the annual statutory amount available from $500,000 to $1 million per annum for the six years from April 1, 1951, and the second to permit $150,000 instead of the previous limit of $100,000 to be used for any one particular work coming within the scope of the act.

I do not propose to review the history of this legislation, except to say very briefly that these provisions, which are embodied in section 262 of the Railway Act, have been most beneficial in their operation during the forty-one years they have been in effect. The amounts made available under the statute, of course, do not represent all the money that has been paid into the railway grade crossing fund and made available for crossing protection. During the days of the depression, particularly, large sums of money were made available by parliament to supplement the annual statutory grant, which at that time was $200,000.

Hon. members will realize that during the forty-one years the railway grade crossing fund has been in existence a substantial total amount of money has been made available by parliament. The annual report of the Department of Transport for the fiscal year ending March 31, 1949, shows that total authorizations from 1909 to 1949 amounted to $14,062,000 odd. Certain of those authorizations lapsed, but total expenditures to March 31, 1949, were just under $12 million.

Hon. members will also realize, of course, that this does not represent the entire amount that has been expended on grade separation during this period. That total of some $12 million simply represents the contribution made by parliament toward the cost of grade separation and crossing protection works, under the direction of the

board of transport commissioners. The minister has not given the total amount spent for this purpose, though he did so when the 1948 amendment was before the house. While I have not seen the latest figures I think they probably amount now to something like $50 million which has been spent in this period of time on grade separation works, which includes the contribution of $12 million from the railway grade crossing fund.

The uses to which the fund has been put in these years have been uniform. The fund has always been designated by parliament, and is still designated, as being for the following purpose: to aid actual construction work for the protection, safety and convenience of the public in respect of highway crossings of railways at rail level in accordance with the provisions of section 262 of the Railway Act. I infer from the statement the minister has made today that no enlargement of or changes in the scope of those purposes are intended.

On the subject of the limit on individual grants, sir, it is quite clear, from a review of this legislation in the forty-one year period it has been on the statute book, that the practice of parliament has been from time to time to increase both the percentage and the total amount which may be ordered by the board of transport commissioners to be contributed out of the railway grade crossing fund to the cost of any crossing protection. This has been a uniform development throughout the period. The direction of the change has always been upward, both as to percentage and total amount. It is interesting to hear the minister indicate that one of the purposes of the bill is to increase, not the percentage, but the total amount for any one work from $100,000 to $150,000, for the ample reasons which the minister has given.

In indicating the reasons why this measure should be entitled to support, I should like to say briefly that there are some factors that are readily apparent. When the railway grade crossing fund was first established, it was intended to assist in meeting principally the problem of maintaining public safety; that is the paramount consideration in the application of these moneys. On the other hand, there are additional considerations, such as the question of public convenience, more expeditious transportation on the part of both the railways and those using the highways, and, to some extent, employment. These have been factors worthy of consideration.

The report of the board of transport commissioners for the year ended December 31, 1948—the report for the calendar year 1949 is not available in printed form as yet—indicates not merely what has been the trend of accidents at level crossings in the past, but also how the accidents have been influenced by the type of crossing protection available at these highway crossings. At page 97 of the report we have the figures for the ten-year period 1939-1948 showing that at crossings of highways and railways in this period there have been 3,541 accidents, in which 1,342 people were killed and 5,024 people were injured. The year 1947 had the highest accident record in the ten-year period. In that year there were 638 persons injured and 162 killed in 442 accidents.

Let us just translate those statistics into other figures. It means that every day of the year there was an average of more than one accident at a railway crossing. In the year 1948 there were 414 such accidents, with 159 persons killed and 566 injured.

A further table on the same page of the report of the board of transport commissioners indicates how those accidents in the year 1948 were related to the type of protection existing at the crossings where the accidents occurred. I mentioned that there were 414 accidents in that year. This is how the statistics are broken down in the report: Number of accidents which occurred at crossings protected by gates, 8; number of accidents which occurred at crossings protected by automatic highway traffic signals, one; number of accidents which occurred at crossings protected by bell, 6; number of accidents which occurred at crossings protected by bell and wigwag, 40; number of accidents which occurred at crossings protected by flashing light signals and bells, 10; number of accidents which occurred at crossings protected by watchmen, 7; number of accidents which occurred at crossings unprotected, 342.

It will thus be seen that of those 414 accidents in the year 1948 over eighty per cent of them occurred at unprotected crossings. I submit, sir, that is a fact of great significance in our approach to this problem, and the question presented to us whether the house should authorize an increase from $500,000 to $1 million per annum in the fund.

I am sure hon. members of this house are going to approach this question from two points of view. Not the less important or less urgent of the two is the humane consideration. The fact that we have, as revealed in the figures I have just read, a record of death, maiming and tragedy to many families in this country, will give every member of the house cause for deep regret, and a desire to do what may reasonably lie within the power of parliament to meet the needs of the situation. I am sure I do not need to dwell on that aspect of the problem.

Because the problem has economic aspects as well, sir, I mention these briefly. As I understand them, every one of these economic factors favours the increase in the proposed statutory appropriation. As the minister mentioned, there is, first, the increased cost of crossing protection works, and that has been a factor of great importance. The limitation that has existed of $100,000 has meant that the fund has not been available to carry the full share that might well be expected of it when works of major importance and high cost have been directed by the board of transport commissioners.

The second aspect, sir, is the plight of the railways. The railways are faced with serious financial problems. I am not going to discuss any questions that are now engaging the attention of the royal commission on transportation, or have been engaging the attention of the board of transport commissioners. I do say that the railways are faced with serious financial problems, and they are not in a position to undertake the cost of a program of crossing protection in this country on any substantial scale.

A third factor, sir, and it is one to which importance must be attached, is the fact that throughout the years there has been an increased tendency, recognized in the legislation, for the public represented by parliament, to participate in meeting the costs of these grade separation works. Mention has already been made of the way in which the percentage and amount available out of the fund for any particular work have been increased by legislation. It is a fact that the invariable tendency of legislation pertaining to the fund since its inception has been to increase provision for public contribution to the cost of grade separation works. Indeed, even within the limits created by parliament, the board of transport commissioners, in awarding sums out of the grade separation fund toward the cost of crossing protection, has applied a similar tendency on its own part. In a decision of the board in 1928, the case of Toronto *v.* C.P.R. and C.N.R., reported in 34 Canadian Railway Cases at page 143, the board recognized that tendency in these words:

The tendency, on the whole,—

That is to say, the tendency within the jurisprudence of the board in relation to awards out of the fund.

—has been to increase the percentage contribution which the city or municipality is required to make.

That is to say, the portion that the public has been called upon to contribute by reason of the public use of these crossings.

The fourth factor is the great and extensive highway improvement program undertaken by most, if not all, of the provinces. This highway improvement and extension program is a factor that is going to have a direct bearing upon the question of crossing protection.

A fifth factor is the heavy increase in highway traffic. I have obtained some statistics on this subject, but the statistics for 1949 are not yet available. Anyone who has made a study of the increase in highway traffic will not fail to have been profoundly impressed by the tremendous increases that have occurred during the period of the life of the railway grade crossing fund.

The earliest figures on the numbers of motor vehicles registered in Canada go back to 1904, when there were 535 registered. In 1909, the year when the railway grade crossing fund came into existence, there were 4,809 motor vehicles registered in Canada. Every year, with scarcely any pause, save in several of the depression years, there has been a steady increase in the number of motor vehicles registered in Canada. I mention the figures for only a few of the years. In 1915 there were 95,284; in 1920, 408,790; in 1925, 724,048. The million mark was passed in the year 1928. In 1935 there were 1,176,000. In 1940 the 1,500,000 mark was passed. In 1948 the number of motor vehicles registered in Canada had passed the two million mark. The figure for that year is 2,035,352.

Parliament must have regard to that stupendous increase, during the relatively short period of time to which I have referred, in the number of motor vehicles using our highways in all the provinces, and in the number of vehicles that are daily crossing railways at grade.

A sixth factor that might be mentioned is the higher speed of motor vehicles today. The higher speed of motor vehicles has unquestionably been a factor in the accident toll at grade crossings; and the fact stares us in the face that more powerful motorcars are being turned out all the time, and that the degree of care exercised by drivers has not always kept pace with the increase in the power of the motorcars under their control.

Then there is one additional factor, although it has not always been as potent a factor as it was during the depression years when parliament was voting additional moneys for the purpose of providing employment while proceeding with the beneficial work of eliminating crossings. It is a fact that at different times during the depression years the fund was exhausted because so many grade separation schemes or crossing protection schemes were undertaken, and there was not always enough money in the fund to meet the demand. There are in Canada, more particularly in certain areas,

problems of unemployment to which beneficial works carried on with the assistance of the railway grade crossing fund can help to contribute a solution.

In conclusion, therefore, Mr. Speaker, I say that the house must recognize the need for increasing the sums provided at the public expense to contribute toward these works of grade separation and crossing protection which are of general public benefit. We have a bigger problem in this respect today than we had in the past. The bigger problem justifies an increase in the funds voted by parliament.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to express support of the legislation anticipated by this resolution. My only regret is that it does not go a bit further.

It so happens that the constituency I represent, Winnipeg North Centre, has the main line of the Canadian Pacific railway cut into it at the eastern end; and then that railway line, after forming the northern boundary of the constituency for most of its length, bisects it again at the western end. In other words, there are grade crossings in Elmwood at the eastern end of my riding, and in Brooklands at the western end.

I make reference to that fact because I think it serves to justify the principle which is at the heart of this grade crossing legislation, namely that the cost of these grade separation projects is a cost that should not be borne to any extent, if at all, by the local people. After all, the line of the railway to which I have referred is the main line of the Canadian Pacific running from Montreal to Vancouver. Since that line serves the whole of Canada, and since its revenues are derived from all over Canada in part because it is able to go through the two communities that I have named, surely it should not fall upon those communities to protect themselves against the hazards of grade crossings in those areas.

It seems to me there is no doubt as to the justification for this principle, namely, that at least a good-sized portion of the cost of the grade crossings should be paid for out of the general revenues of the nation rather than that that cost should be imposed upon the local people. In fact, when I think of a community such as Brooklands, at the west end of Winnipeg, or a community such as Elmwood, which, although it is part of Winnipeg, is at the east end of the city and is in a sense a community by itself, I cannot see any fairness in their having to pay anything at all towards the elimination of grade crossings on the main transcontinental line of the Canadian Pacific railway. So I earnestly hope that as time goes on it will be recognized that the cost of eliminating the hazards of level crossings in such areas should be borne, I would say, by two authorities, namely, the federal government and the railway concerned.

As it now stands, a community such as Brooklands could apply for the elimination of one or two grade crossings where the Canadian Pacific railway passes through the village. But the public finances of that particular community are limited, and they know it would be useless to apply, because, if the application were granted, in the end a portion of the cost would be assessed back to them by the board of transport commissioners. This makes it completely prohibitive so far as that community is concerned.

Elmwood is not in a much better position, because, although it forms part of the city of Winnipeg, and it would be the city that would have to make the application and therefore bear part of the cost, when the people of Elmwood go before the city council in Winnipeg they find themselves confronted with the fact that they are just one community at one end of the city. The city must think twice before taking money out of the city treasury to remedy a condition at one corner of the city, when they also have in mind the factor I have already indicated, namely, that the need for the grade separation in question arises because a transcontinental railway happens to go through that area.

The minister knows that from time to time I have raised the question of the grade crossings in the areas to which I have just referred, and have expressed the hope almost every year that necessary changes would be made in the legislation so that these particular grade crossings might be eliminated.

I am sure when I refer to Elmwood and Brooklands in Manitoba I am citing cases which are but typical of many like unto them throughout the country. There must be many a municipality, through which a main line or even a branch line of a railway passes, which cannot afford the money it would have to pay—the share of the cost that would be assessed against it—if it did make application to the board of transport commissioners for a grade separation and such application were granted. Yet in these cases the hazards are such that the grade crossings should be eliminated.

I must also express disappointment in the fact that the hope the minister held out to me a couple of years ago seems to have been put on the shelf—and I use that figure of speech advisedly. As late as April 20, 1948, as it is recorded at page 3167 of *Hansard*, the

minister told me that, at the request of the then department of reconstruction and supply, the board of transport commissioners had made a survey of possible grade separation projects—and I quote the minister's words:

—so that there would be on the shelf a list of projects of a public nature upon which certain sums of money might be expended when the need arose.

The minister went on to make it clear that the projects envisaged when the department of reconstruction and supply asked the board of transport commissioners to make that survey were to be paid for not out of grade crossing funds, but out of other funds to be appropriated by the government. Nevertheless that statement from the minister did suggest to me the hope that the shelf concept of the government had not yet been put on the shelf, and that in due course provision might be made thereunder to eliminate the grade crossings in the community of Elmwood.

I still have on my files a copy of the front page of the Elmwood *Herald* of Thursday, May 6, 1948.

Mr. Fleming: Is that your picture on the front page?

Mr. Knowles: Thank you for drawing attention to it. The leading article of this issue refers to the discussion which took place in the House of Commons on April 20, 1948. This indicates the sort of hope that it gave to the people of Elmwood who were interested in the matter. The most important statement of the minister on that occasion was that although he could not see any way in which I could persuade him that the grade crossing in Elmwood could be eliminated under the legislation as it stood, still there was this survey that had been made at the request of the department of reconstruction and supply, and the chances were pretty good—since there were a great many of these grade crossings reported upon in that survey—that the ones I was interested in might be on the shelf to be proceeded with when the time came for the government to implement that shelf concept with respect to public works projects.

Well, I am afraid we have to come back to the Minister of Transport (Mr. Chevrier). The shelf concept has been put on the shelf. We are not going to get public works projects, as was so clearly promised by the Minister of Trade and Commerce (Mr. Howe) back in April of 1945, for the purpose of relieving unemployment and providing these necessary public improvements.

This means that so far as grade crossings are concerned we are left with only one means by which they can be built, namely, under the provisions of the grade crossing fund. This being so, since the matter is back on the doorstep of the Minister of Transport I hope he will give still more earnest consideration to the plight of communities such as I have mentioned—and I have referred to them because they are in my constituency; but I am sure there are many like them across Canada. I hope he will give more consideration to their plight and try to find some way to broaden the provisions of the grade crossing legislation so that the hazards experienced by these communities through which main lines of railways pass, hazards which are not the fault of the people in those communities, can be eliminated by the building of more grade separation projects.

I suggest that if the Minister of Transport will give more thought to this matter, not only will he be giving due consideration to the sacredness of human life, and to the points made by the hon. member for Eglinton (Mr. Fleming), but he will also be taking on at least part of the job of providing employment, with which his colleague the Minister of Trade and Commerce seems unprepared to proceed—even in a time of serious unemployment.

Mr. W. G. Weir (Portage-Neepawa): Mr. Speaker, I suppose all hon. members can make references to situations in their respective parts of the country, so far as railway crossings are concerned. The hon. member for Winnipeg North Centre (Mr. Knowles) having referred to a situation in his constituency, I am bound to say that there are other places in Manitoba where there is very heavy traffic, which are of equal significance and often present greater hazards.

He has referred to a railway crossing in an ordinary, settled community. I would place on record for hon. members, and for the benefit of the minister, another situation in our province which I believe deserves special consideration. Just west of Winnipeg the two main lines of railways approach the city of Portage la Prairie, and are crossed on both sides of that city by the trans-Canada highway. This, in itself, presents a serious problem in a rural part of the country where, for the most part, automobile traffic travels faster, and the ordinary means of protection, such as stop signs, are sometimes forgotten.

On those crossings there are the ordinary stop signs; no doubt most people recognize them. However they have the very serious disadvantage in that all cars are supposed to stop, thereby holding back for a considerable distance traffic that might otherwise get out of the way—and this might happen when there might not be a train within miles.

My point is that in places where there is heavy traffic it would seem to be common sense and perhaps economical in the end if the traffic were stopped only when trains were in the vicinity instead of requiring everybody to stop every time they come to a railroad crossing.

This brings me to one other thought I want to present to the minister, and in this connection I should like to give an illustration. Take where the Canadian National and Canadian Pacific main lines cross the trans-Canada highway at two different places. This would seem to warrant the argument that the provinces and the railroads, possibly with the help of the grade crossing fund, should bear a larger proportion of the cost for highway crossings in those places than might be the case in other places.

The trans-Canada highway is something affecting all Canada or all of a particular province, and it would seem to me that the local people have some right to ask that their proportion of any cost for protection of this nature should be lower than what others are required to pay. I submit that for the consideration of the minister and to those who may be interested, not only in the grade crossing problem by itself but also having regard to the trans-Canada highway.

I should like to make one more observation. There is a situation between Portage la Prairie and Winnipeg which is quite hazardous and I hope the minister will see that adequate stop signals are put on there at the earliest opportunity.

Mr. Speaker: Before the debate continues I should like to point out that the house is considering a resolution which precedes the introduction of a bill. It does not seem to me that it is in order at this time to discuss individual cases or to make pleas to the minister that consideration be given by him or his department to changing conditions at particular points, where the railroads cross a highway. That would be quite in order at another time, but at the present time hon. members should discuss the general principle set forth in the resolution.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I want to say just a word. I come from a riding which is crossed by the main line of the Canadian National Railways and where the situation is quite serious, both in hazards to human life and in the great inconvenience and loss of time on busy city thoroughfares traversed by this main line. I think the hon. member for Eglinton (Mr. Fleming) and the hon. member for Winnipeg North Centre (Mr. Knowles) have outlined the situation quite fully and the general considerations which should apply. I fully endorse what they have said and I should like to be on record as supporting the measure.

Mr. A. J. Brooks (Royal): Mr. Speaker, I should like to congratulate the hon. member for Eglinton (Mr. Fleming) upon his comprehensive remarks with regard to this matter. I feel that the amount being set aside for this purpose is entirely inadequate to meet the needs. I am sure that in my province for every crossing that is protected there are twenty where there is no protection at all. Perhaps this was all right in 1909 when we had only $200,000 provided for this purpose, but that amount at that time compares more than favourably with the $1 million being voted at this time. According to the statistics given by the hon. member for Eglinton, there were only a few thousand motor cars registered in 1909 whereas over 2,500,000 cars are registered today and that does not take into consideration the hundreds of thousands of cars that come here on visits from the United States.

I am sure it must occur to everyone that this amount is inadequate for the protection needs of this country. The hon. member for Portage-Neepawa (Mr. Weir) referred to the trans-Canada highway. I think some provision will have to be made to provide protection in those towns through which the trans-Canada highway passes. We expect that that highway will pass through our town in New Brunswick—I see the Minister of Veterans Affairs (Mr. Gregg) smiling—and we have a crossing situation there which is very dangerous.

It does seem to me that the provisions of the Railway Act should be extended to protect those areas where gates, lights and so on are not sufficient. As the hon. member for Portage-Neepawa mentioned, traffic is often held up for quite long periods. With the trans-Canada highway going through populated centres like the one I have referred to there are going to be many holdups of traffic. Of course, that is not the serious feature as far as protection is concerned—the loss of life is the most serious—but it should be considered. More protection should be provided to the public at these crossings than is provided at the present time.

As I said a moment ago, $1 million is only a drop in the bucket. Perhaps some other means could be adopted to provide the necessary protection, but there is no doubt that the present protection does not meet the needs of the situation in Canada today. I hope that in future some other provision will be made for the protection of the public in this regard.

Mr. Rodney Adamson (York West): Mr. Speaker, I should like to make just one observation. I think the figures that have been given indicate the wisdom of the government in acceding to certain pressure by myself to amend the Railway Act to abolish whistle signals in built-up centres. The huge majority of these accidents take place at stops which are unprotected. Protection by means of wigwags or bells is of extreme value and the measure which I fought for and which was finally adopted to stop the nuisance of whistle blowing in a particular area in my riding has been effective and has in no way been responsible for causing highway crossing accidents.

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

Mr. Knowles: Is the minister going to answer some of the questions that have been asked, or does he want some more?

Mr. Chevrier: I think most of the questions raised by the hon. member for Winnipeg North Centre are of the type that should be raised when the bill is before us. We are dealing now with the principle of the resolution, namely, whether or not there should be an increase from $500,000 to $1 million. I think that matters that he and other members have raised as to particular projects might well be taken up when we have the bill before us.

Mr. Knowles: Or they might be taken up on your estimates later today.

Resolution reported, read the second time and concurred in.

Mr. Chevrier thereupon moved for leave to introduce Bill No. 181, to amend the Railway Act.

Motion agreed to and bill read the first time.

Mr. Deputy Speaker: When shall the bill be read a second time?

Mr. Chevrier: Mr. Speaker, if it is the desire of the house we could go into a discussion of the bill now, and I could deal with the individual projects mentioned by hon. members. I am in the hands of the house.

Mr. Knowles: Have you enough copies of the bill for those of us who do happen to be here?

Mr. Chevrier: Has the hon. member not got a copy of it?

Mr. Knowles: It could not be distributed until it has had first reading, and that just took place a minute ago.

Mr. Chevrier: I am ready to proceed with second reading now if it is the wish of the house.

Mr. Drew: While I feel sure everyone is anxious to facilitate discussion of the bill, I think it would be well to follow the regular procedure and wait until the bill in printed form is before members of the house.

Mr. Deputy Speaker: When shall the bill be read a second time? Next sitting of the house.

DEPARTMENT OF TRANSPORT STORES

AMENDMENT OF ACT WITH RESPECT TO OUTSTANDING ADVANCES, OBSOLETE STORES, ETC.

Hon. Lionel Chevrier (Minister of Transport) moved the second reading of Bill No. 135, to amend the Department of Transport Stores Act.

Mr. Drew: Is the minister making a statement?

Mr. Chevrier: I wonder if I could make the statement in committee. Is there any objection to my doing so in committee?

Mr. Drew: No.

Mr. Fleming: It would be preferable to have it in the house.

Mr. Chevrier: Your leader has said there is no objection.

Mr. Drew: I was only speaking for myself. If anybody else has any objection then I would certainly suggest that we have the statement now.

Bill read the second time and the house went into committee thereon, Mr. Dion in the chair.

On section 1—*Outstanding advances not to exceed $5 million.*

Mr. Chevrier: Mr. Speaker, I think the house will expect some information with reference to the reasons why the department has seen fit to propose this bill to the house. I gave certain information when we had first reading of the bill, and I think that additional reasons should now be given for the proposed measure. The Department of Transport Stores Act was enacted in 1937 following the formation of the Department of Transport in November, 1936. There were at that time sixty stores depots scattered over Canada from coast to coast with as many as three, and in one instance four, in one city. There were also at that time ten separate votes in the department carrying their own stocks in a total of sixty stores depots. In the stores depots there were five or six separate compartments, and goods purchased under one

appropriation were placed in one compartment and could not quickly be transferred to another compartment where the same stores were required. Now there is a consolidated account to meet stores requirements of fifty votes through thirty stores depots.

The purpose of the act was to enable the department to consolidate stores and stores depots, and to provide a centralized purchasing control over stores. To simplify the control and use of the stores the act provided for a single account called "Department of Transport stores account". This is the controlling account to which all stores are charged when purchased and to which all issues are credited.

In order to give the department working capital to be used for the purchase of stores in advance of appropriations voted by parliament the act authorized the Minister of Finance to advance to the Minister of Transport out of the consolidated revenue fund up to $1 million. This operates as a revolving fund. When the stores are issued for use in the various services such as lighthouse service, dominion steamers, air services, canals, etc., the value of such stores is charged to the proper appropriation and the revolving fund is credited with that amount. The fund is like the water in a well out of which the stores are drawn and which is fed by the appropriations. When stores are drawn the level of the water in the well is lowered but is restored again to its former level by new credits drawn from the appropriations.

There was a precedent for this fund in the Public Printing and Stationery Act amendment contained in chapter 5 of the statutes of 1928. Advances up to $700,000 were authorized to be made out of the consolidated fund to the king's printer to enable him to purchase materials and pay wages. This fund was subsequently increased to $2 million in 1946.

Section 6 of the Department of Transport Stores Act provided that the inventory of stores at the end of each fiscal year should not exceed the amount of stores inventory established as of April 1, 1937, which was $957,000. In 1939 the act was amended to increase this inventory ceiling to $1,250,000, and again in 1946 the inventory ceiling was further increased to $1,600,000. It is now considered that there should be no inventory ceiling at all and that it was a mistake to have one in the first place. The Right Hon. R. B. Bennett observed on second reading of the 1937 bill, as recorded at page 2488 of *Hansard* for that year, that it was a peremptory statement to put in a statute that the inventory must be reduced to the fixed limit, and that if in the course of business the minister did not find it possible to reduce the inventory he is confronted by a statute that says he must do it. The difficulty is that the officers of the department cannot foretell prior to March 31 what the inventory will be at that date, which would enable corrective action to be taken at the proper time. In commercial business a merchant can put on a sale to reduce inventory but the department cannot do this, and it cannot issue stores unless they are required. The tendency has been for the stores inventory to increase owing to increased prices and additional requirements in Newfoundland and elsewhere, and now it is far above the statutory limit, being estimated at $3,200,000 as at March 31, 1950. There is no machinery for reducing inventory except to stop buying and to issue out the stock on hand.

It is submitted that the proper control over the size of the inventory is found in the amount of money which is authorized to be spent on the purchase of stores and by a careful scrutiny of purchase orders before the same are placed. If hon. members will look at the bill they will see that there are four pertinent amendments.

1. It is proposed to increase the amount of the advances authorized under section 3 of the act as working capital from $1 million to $5 million. This is required for the following reasons: (a) Price increases. The $1 million will not go half as far as it did in 1939.

(b) Taking over Newfoundland stores estimated at $1,180,000.

Mr. Green: Where is that? What was the last one? Where were those stores?

Mr. Chevrier: I said taking over Newfoundland stores estimated at $1,180,000. What is the question?

Mr. Green: I did not hear "Newfoundland".

Mr. Chevrier:

(c) Expansion of stores services, particularly air services and government telegraph and telephone system transferred from public works.

(d) Contingencies and time lag between issue of stores and recovery from votes.

2. It is proposed to repeal section 6 of the act requiring an inventory ceiling. For reasons given above this requirement is considered impracticable.

3. It is proposed to amend section 8 of the act to provide for more flexibility in accounting practices. There have been disagreements over the interpretation of the act in relation to accounting matters, particularly

in connection with the interpretation of the words "actual cost" appearing in this section. It would appear advisable to have the accounting practices determined by the minister of the department acting through his officers and the comptroller of the treasury acting for the Minister of Finance.

4. It is proposed to provide for writing off obsolescent, unserviceable and lost stores and to charge the value of the stores written off to appropriations made by parliament for this purpose.

Mr. Green: I believe there are quite serious objections to clauses 1 and 2, and if I may I shall put all the objections at one time, rather than divide my submission. Clause 1 provides that the amount of the advances to the Minister of Transport shall at no time exceed $5 million. Clause 2 deals with the value of the stores that may be held at any time by the department.

Clause 2 of this bill removes a restriction which has been in the act from the very start. I was very interested to hear the minister quote from the remarks of the late Lord Bennett when the original bill was introduced in 1937. He quoted the part that was quite innocuous as far as his own argument was concerned, but did not quote the parts which dealt with the other side of the story. In actual fact Mr. Bennett's submissions at the time were quite contrary to what one would gather from the extract read by the minister. When the original bill was brought in it was sponsored by the present Minister of Trade and Commerce. At that time it was pointed out that quite a lot of excuses might be made for asking for $1 million, and Mr. Bennett had this to say at page 2488:

> I say to the minister in the light of experience that there is nothing more inviting to permanent officials than the possibility of having an advance of great proportions. The ease and facility with which they begin to buy supplies is known to everyone who has had to do with the department. If the minister can keep that item below $1 million I think he should so so.
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> Mr. Howe: Today the stocks are about one and a half million. It will be my aim to see that at the end of the year there are no surplus stocks. Whether that is possible I do not know, but it was put at a million as a figure that will probably be necessary for a turnover of $3 million of supplies.

Later the then minister said:

> We are going to insist that no new purchases shall be made as long as we have anything in our total inventory suitable for the purpose. This consolidation will allow us to ship goods from our present stores to any part of the country where they are required.

Then Mr. Dunning, who was minister of finance, said:

> I am hoping that the minister will get it to even lower figures. I think he should be able to do so, having regard to the diverse nature of the present stores.

Then Sir George Perley asked some questions, and further on the present Minister of Trade and Commerce had this to say:

> The $1 million is a revolving fund. It is intended to purchase all supplies for stores, and then, as they go out they will be charged to the appropriation and the money will be applied from the appropriation to restore the $1 million fund.

Then there was an argument as to whether parliament should vote the money, and finally Mr. Dunning said:

> The way the matter will work is precisely the same as in the case of the king's printer's advance. That is to say, each year each branch of the Department of Transport will have in its vote what it requires for stores, but when it comes to purchasing them it will have to purchase from stores account, so it will be charged to the appropriation account of the department and credited to the stores account. The Minister of Finance is authorized to keep these stores up to $1 million but no greater amount.
>
> Mr. Bennett: To provide a working capital of $1 million.
>
> Mr. Dunning: A working capital of $1 million.

That has been the law ever since; we have had a revolving fund of $1 million. I quite agree that with Newfoundland coming into confederation, together with the general increase in costs there are reasonable grounds for increasing that amount. I believe both those reasons given by the minister have merit.

Mr. Chevrier: And, may I add, because of the air services branch being taken over.

Mr. Green: That same argument about air services was used in the previous debate. That was one of the reasons given then for having to put so much into the revolving fund.

Mr. Chevrier: But if I may interject, at that time the air services branch was in the Department of Transport, I take it, though I was not the minister then. As the hon. gentleman knows, it was transferred to the minister of munitions and supply, where it remained for a number of years, only coming back to transport in 1947, I think.

Mr. Green: But in his argument on that previous occasion the present Minister of Trade and Commerce gave as one of the reasons that there were aviation supplies to be purchased. No doubt there should be some increase in this revolving fund, but I suggest to the minister and to the committee that increasing it by five times, to $5 million, is not right. I suggest that the amount should be perhaps $3 million. I believe there is great merit in what Mr. Bennett had to say in 1937:

> . . . in the light of experience that there is nothing more inviting to permanent officials than the possibility of having an advance of great proportions.

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Here they are being given a revolving fund just five times greater than the fund they have been getting along with since 1937. The other questionable feature about the bill is this provision in section 2 as a result of which there will no longer be any limit on the value of the stores held. In 1937 the limit was the value of the stores then on hand. Two years later, in 1939, a figure was set of $1,250,000. In 1946—the minister will correct me if I am wrong—the value of the stores that could be held was increased to $1,600,000. The amendment now before the committee wipes out that limitation; if it becomes law there will be absolutely no limit on the value of the stores that may be held.

I suggest, Mr. Chairman, that this is a good place to do a little economizing. If larger inventories must be held than the value of $1,600,000, then the minister should name the figure and put it in the act. Instead of that he is asking for a provision which means, in effect, that the sky is the limit on the value of stores that can be held in stock.

That point was dealt with in the debate in 1937, and the present Minister of Trade and Commerce referred several times to the fact that there was no need for a larger amount. At page 2486 of *Hansard* of April 2, 1937, he said:

> Our annual purchases of stores are about $3 million and our stocks today are $1,500,000, which of course is an absurd figure. I have gone into the matter in an effort to have the stocks reduced and it has been explained to me that it is impossible to reduce them without legislation of this sort so that they may be combined for the various services.

As I said a few minutes ago, the minister said at page 2488 of the same volume:

> It will be my aim to see that at the end of the year there are no surplus stocks.

I do suggest that under these conditions the minister and his department are asking too much. There should be a lower figure set for the revolving fund, and a limit on the value of those stores which can be held by the department should be maintained. If this proposed amendment is carried, then we are just leaving the door open for extravagance and possible waste.

Mr. Knowles: Mr. Chairman, may I ask the minister a few questions to help us understand the working of this fund. It has been referred to as a revolving fund. I take it that does not mean that any of those stores are sold, and the money received put back into the fund in that way?

Mr. Chevrier: No.

Mr. Knowles: Rather, I take it that the Minister of Finance advances to the Minister of Transport this sum of money for the purchase of stores. Then, as that money is spent, the Minister of Transport gets it back into the fund by means of votes of parliament; is that correct?

Mr. Chevrier: That is right.

Mr. Knowles: Does it work out that the Minister of Finance turns over to the Minister of Transport $5 million, and then the Minister of Transport waits until that gets down to a million or half a million, and has it then restored to the $5 million, or does the Minister of Finance keep the Minister of Transport supplied with $5 million at all times?

Mr. Chevrier: Mr. Chairman, with reference to the act as it now stands, the Minister of Finance makes available to the Minister of Transport the sum of $1 million, and that appropriation can be called upon from time to time as set out in section 4 of the act.

Mr. Knowles: In other words, the Minister of Transport can at the present time draw on the Minister of Finance for any amount up to $1 million to cover any items that have not yet been passed specifically by parliament?

Mr. Chevrier: That is my understanding.

Mr. Knowles: And that figure will be $5 million if this bill passes?

Mr. Chevrier: That is right.

Mr. Knowles: It does seem to me that there is a case for increasing the amount for the reasons which the minister gave, but I wonder if the figure needs to be increased fivefold. Parliament meets six months out of the year, and there are supplementary estimates, and further supplementaries. It does seem to me that $5 million is quite an advance to have on hand. Will the minister also indicate, just as an example, where in the estimates now before us there are items that we are voting to pay for some of the things that have been bought out of these advances.

Mr. Chevrier: Mr. Chairman, in answer to the first question, which will also I think answer the question raised by the member for Vancouver-Quadra, if there was not authority to increase the amount of stores that could be held by the department as set out in section 5, then we would be going contrary to the statute. The information that has been given to me is that at the moment, that is as of March 31, 1950, the estimated inventory stands at $3,250,000. That being the case—

Mr. Knowles: You are a lawbreaker.

Mr. Chevrier: —we would require at least authority to carry that amount. There are additional reasons for increasing the inventory,

such as the expected expansion of the service stores required through the inclusion of the government telegraph and telephone system. They have been placed at $350,000. There is a sum required to cover the value of outstanding accounts receivable for stores issued, exclusive of Newfoundland, pending recovery from votes, $650,000; a sum required to cover the value of outstanding accounts receivable for issues from Newfoundland stores pending recovery from votes, $300,000; a sum required to provide a reasonable margin for unforeseen contingencies; for example, we have unusually heavy stock periodically to meet special service programs; and then there is the taking back into stores of stocks of materials not used on projects for which originally issued. There is a sum to cover further price increases, and other unforeseen contingencies, amounting to $500,000. It is in that way that the $5 million which is sought by virtue of section 5 is made up.

The hon. member for Winnipeg North Centre asks what votes there are in the estimates that provide for the purchase of stores. There are some 40 or 45 such votes in the estimates of the Department of Transport. For instance there are dominion steamers, marine agencies, canals, to name the ones I can think of as I go along. They are votes which cover amounts for stores required by those various branches of the department.

Mr. Knowles: Does the minister know the approximate total of those votes to which he has just referred?

Mr. Chevrier: No, I do not.

Mr. Knowles: Do they amount to something less or more than $1 million?

Mr. Chevrier: They will amount to more than $1 million.

Mr. Knowles: In other words, unless we do pass this bill we leave the minister breaking the law.

Mr. Chevrier: I do not think there is any doubt about it. It was for that reason I brought forward the amendment in 1946, in which I asked that the inventory ceiling be increased to $1,600,000.

Mr. Green: That is the limit of the stores held?

Mr. Chevrier: Yes. When I brought in that amendment, I think the law as it stood indicated that at no time should there be stock on hand or an inventory of stores greater than that which existed at April 1, 1937.

Mr. Green: No, the minister is wrong in that. There was an amendment in 1939 that it be set at $1,250,000.

Mr. Chevrier: I was going on to say that the inventory of stores originally stood at $957,368, and that in 1939 section 6 was further amended to increase the inventory to $1,250,000. At that time, on April 1, 1946, the inventory of stores stood at $1,374,000.

Mr. Green: The war had something to do with that, I guess.

Mr. Chevrier: Yes, the war had something to do with that. But at the time there were not in the department these items that I mentioned a moment ago and in my opening statement. There is therefore reason for increasing the amount, and the departmental officials, after consultation with the Minister of Finance, have come to the conclusion that the appropriate figure, having regard to the present position, should be $5 million.

Mr. Knowles: I am sure the minister will realize that what I am going to say is by no means personal, but I should like to get this point cleared up. It seems now to be clear that at the present time the department has exceeded both of the ceilings that are in the act: the ceiling as to the amount of advance, namely $1 million, and the ceiling as to the amount of the inventory which for the moment is $1,600,000. How long has the minister been breaking the law, if I may put it that way, and how has he managed to do it? Have there been orders in council? How do you get more money than the law provided you should get from the Minister of Finance and how have you handled these inventories in excess of the ceiling provided by law?

Mr. Chevrier: It has been approximately a year. My hon. friend will remember, I think, that I had on the order paper last year a bill to amend the Department of Transport Stores Act, but is was introduced toward the end of the session and it was thought there was not sufficient time to deal with it; it was therefore withdrawn and brought forward at this session.

Mr. Knowles: I still wonder what the legal position is. What will the Auditor General say about the fact that there has been this advance in excess of the amount provided?

Mr. Chevrier: It is the Auditor General who audits this stores account. The stores branch of the Department of Transport recommended this change after consultation, so I am informed by my officials, with the Auditor General and the Department of Finance and this proposed amendment results from the discussions. It is at the recommendation, I am informed, of the Auditor General that this is brought forward.

Mr. Knowles: To keep the minister out of jail.

Mr. Chevrier: Right.

Mr. Higgins: Would the minister mind going into this Newfoundland amount and explaining it to me? I think he said it is $1,180,000. Is that correct?

Mr. Chevrier: It is $1,180,000.

Mr. Higgins: What is that for? Is it railway alone?

Mr. Chevrier: It is not railway at all.

Mr. Higgins: What is it?

Mr. Chevrier: It is our stores that were taken over by the department following the entry of Newfoundland into the union, and consists mostly of stores at Gander.

Mr. Higgins: Gander stores?

Mr. Chevrier: Yes.

Mr. Higgins: Not railway stores?

Mr. Chevrier: No. This has nothing to do with railways. The Canadian National Railways is a different matter altogether and is dealt with, as my hon. friend knows, in the annual budget and report of the Canadian National Railways.

Mr. Higgins: It is entirely Gander?

Mr. Chevrier: It is entirely transport. Part of it is in Gander and part of it is in St. John's; and there might be other stores as well.

Mr. Higgins: What would the $300,000 be? The same item?

Mr. Chevrier: Yes.

The Chairman: Shall the item carry?

Mr. Macdonnell (Greenwood): No. I think we should give this matter a little further thought. It is perfectly clear, when you read the speeches which were made at the outset, that this thing had turned out absolutely differently from what was expected. I therefore think we should have another good look at it now before we greatly extend the scope of it. I should like to read from Mr. Howe's speech when expanding the thing originally. This is to be found in *Hansard* of April 2, 1937, at page 2486. I draw to your attention, Mr. Chairman, and to the minister's attention some of the things he said because I think, as has already been pointed out, that it is extremely easy to buy stores and to get them into stock and, I should think, extremely difficult to get the things cleared out. Incidentally, we shall not hold the minister too seriously accountable for having been a lawbreaker; of course, we are getting used to that sort of thing. Nevertheless, it does not encourage us to think that the thing is working excellently and then to learn that he has found it necessary to exceed by almost three times, if I remember aright, the amount he is supposed to carry. Let me read one or two things that were said, and I think we should consider them rather carefully because we are really plunging ahead further along a course which, I submit, up to the present, has proved to be not satisfactory. Mr. Howe said:

> As I said on the first reading, this is to simplify the bookkeeping and handling of stores in the Department of Transport. We believe that inevitably it will reduce the inventory of stores which are now carried—

And so on. Then he referred, as the minister has already done, to their having sixty store depots from coast to coast; and a little later on he said:

> Our annual purchases of stores are about $3 million, and our stocks today are $1,500,000, which of course is an absurd figure. I have gone into the matter in an effort to have the stocks reduced and it has been explained to me that it is impossible to reduce them without legislation of this sort . . .

The reason for that apparently was that there were complicated relationships among the different stores, and a lot of complicated bookkeeping, and the minister wanted to set up this one fund which he said was going to simplify things. Then he goes on and refers to the dominion steamers and the lighthouse service, and the canals; now of course we have the airports. Then Mr. Howe says this; I draw this particularly to the attention of the minister, and I think we should have some further information along this line before we go any further. Mr. Howe says further, as reported at page 2487:

> The bill provides that the Minister of Finance and the Minister of Transport shall agree upon an initial price. That is necessary because some of these stores go back fifty years though they are still carried at cost price.

One of the things I should like to have before we go further in this is some kind of pedigree of the stores we have now. I should like to know what we have now that is, say, ten, twenty or thirty years old. Maybe this clean-up has been made. On the other hand I should like to know how much we have relative to what is used from time to time, because I understand the Hoover commission found that in one department in the United States they had stocked themselves up for fifty years into the future. You get it both ways. You have old stuff up to fifty years of age and then you have enthusiasts going ahead and buying away into the future.

Having said that, I should like to recall to you, Mr. Chairman, what the hon. member for Vancouver-Quadra has already said about how inviting it is to permanent officials to have money to spend. We all like money to

spend, particularly if it is not our own money. I should like to get some kind of statement, not in exhaustive detail but nevertheless in a certain amount of detail, as to what is in there now.

There is another question I should like to ask the minister, and it is as to what extent the things that are in these stores are specialized things that cannot be bought elsewhere; in other words, which are not readily available through the ordinary channels of purchase. Have we got a lot of things in our stores which actually we could buy without delay in the ordinary course of merchandising? If that is so, why do we have these things? Because if we have them, it merely means that we are keeping up storehouses and paying people to look after them. These are things that occur to one offhand. I base them, to some extent, on the original expectation which was in the mind of the minister when this department was set up. I am just looking for another statement which Mr. Howe made. I have it now. Another thing Mr. Howe said was this:

> Today the stocks are one and a half million. It will be my aim to see that at the end of the year there are no surplus stocks.

To what extent have those aims been carried out? To what extent have we got a lot of people who are in the business of keeping stores and who probably like to keep stores? To what extent have we got stock that is piling up and perhaps should be cleared out? To what extent are we buying things away in advance? And finally, to what extent are we storing up things that we could buy in the open market in any of the places where we actually have these stores at the present time?

Mr. Chevrier: The hon. member has asked some questions which I shall try to clear up. In the first place he would like to know what stores are on hand now. Of course, that is a little difficult to answer.

Mr. Macdonnell (Greenwood): I admit I would not ask to get it down to the last detail.

Mr. Chevrier: He was kind enough to say he would not insist too much upon a strict interpretation of the question. There are at the present time some thirty stores depots in the department, from coast to coast. There would be a stores depot in Quebec, one in Victoria, another in Vancouver, another at Charlottetown, and now one at Gander. There would be in those stores depots all sorts of consumable stores.

It is difficult to give a detailed explanation of what they would be. But when the hon. member asked what the specialized stores might be, I can think of those in the radio service, those in the air service and those in the marine service. For instance, in marine stores at Quebec there would be all sorts of things required for the dominion icebreaking fleet, and for the steamers which take supplies to lighthouse keepers. Those are stores of a specialized nature.

It would not be easy, I think, to give a breakdown of the total inventory of the stores, although it is possible to give the total amount which, as I indicated a moment ago, is $3,200,000.

Then the hon. member inquired about a statement made by the Minister of Trade and Commerce (Mr. Howe) to the effect that an attempt would be made to get rid of obsolescent stores. I am informed by my officers that all obsolescent stores were disposed of back in 1937, and there are in our depots no stores purchased prior to 1937. At least one, and perhaps two, sections of the bill deal with obsolescent stores, and the manner in which they should be disposed of. I hope the house will agree that these provisions are a considerable improvement over what we had before.

Mr. Green: Does not the provision in section 8 make it easier to keep down the amount of stores on hand? My understanding of this new section is that it simplifies the procedure for getting rid of obsolescent stores. This means there would be fewer stores on hand, and that the ceiling could be that much lower.

Mr. Chevrier: It would not mean that there are fewer stores on hand, but it refers to the method by which obsolescent stores should be disposed of.

Mr. Green: It makes it easier to dispose of them.

Mr. Chevrier: Yes, quite. But I wonder if we should discuss it before reaching that section.

Mr. Green: My understanding of the revolving fund is that it is required only for the purchase of goods needed before the appropriations are passed by the house; in other words, most of the purchases are covered by the appropriations put through the house. This revolving fund is merely to provide for goods that have to be kept in store, and that will be required before the appropriation can be put through?

Mr. Chevrier: I would not like to say that it is or is not. I think on the whole the hon. member is correct, but I did not follow his question as closely as perhaps I should have. The revolving fund is required not only to purchase stocks between the time the fiscal

year ends and the amount is voted in the next fiscal year, but it is also to keep on hand stocks required from time to time.

For instance, about this time of year great quantities of stocks are required for our steamship service in connection with the opening of navigation. If the storekeepers of the various depots waited until this time to make their purchases, the ships would be held up. So that during the course of the winter, and even before that, they stock up with those things likely to be required by icebreakers and by the dominion steamers which replenish the supplies required by lighthouse keepers, and the like. So that the revolving fund is required for the purposes mentioned by the hon. member, but also for other purposes.

Mr. Green: But most of those purchases would be made out of money appropriated by parliament last year.

Mr. Chevrier: To a large extent.

Mr. Green: We passed estimates last summer, or last fall, so that the Department of Transport could buy most of those requirements. That point was dealt with by Mr. Howe in 1939 when, as reported at page 2642 of *Hansard*, he said:

> There are several departments that have revolving funds of that kind. For instance, the national harbours board is entitled to expend $1 million beyond its appropriation, with the understanding that this amount will be the first charge on the new appropriations. The printing bureau also has provision for a revolving fund, and I believe last year the Department of Mines and Resources set up a revolving fund for work among the Indians.

Will the minister tell us what other revolving funds there are at the present time? It looks as though this particular revolving fund of $5 million is the largest in the whole government service.

Mr. Chevrier: Yes, it is; I understand it is the largest one. But the hon. member should not forget that the purchases of the Department of Transport, so far as stores are concerned, are perhaps the largest too.

Mr. Green: Of course the bulk of these purchases would be made out of moneys appropriated at the preceding session.

Mr. Macdonnell (Greenwood): One does not wish to have a lot of information just for the sake of having information; but I do think we are proceeding blindly at the present time. I am groping in my mind as to what would be a reasonable and feasible request—and perhaps the minister could improve upon it—but I would like to have at least a sample. I suggest that he might give us that information in respect of the larger stores—and he may pick out whichever he chooses, whether it be Montreal, Quebec, Toronto, or some other place. But we would like to have some idea as to the main categories of these stores, the value of them and, in particular, which of them are special things which could not be readily obtainable and would need to be kept in stock.

I suggest information of that kind should be given to us. I am quite ready to alter my requirements a little, if the minister would suggest something that would give me what I want, and which he would find easier to supply. I base these observations on the fact that this has turned out quite differently from what the minister had expected originally. While we are not labouring the point, he has told us that he has exceeded his authority—and I am sure he has done it in good faith, and has done it because he thought it was necessary.

As I say, however, I would like to have a cross section of these stores so that we may understand them. If the minister does not think that is the best way to give the information then, as I have said, I am quite ready to consider altering my question. We should have information of that kind; otherwise we are just becoming rubber stamps—which is not altogether unknown in this chamber.

Mr. Chevrier: I do not think I can add much to what I said before. There are thirty or thirty-two stores in the department, scattered from one end of the country to the other. These stores have to do with marine services, canal services, air services, and telegraph and telephone services. Those again are broken down into other groups. I do not know that I am called upon to give an inventory of the different depots, and I do not know that my hon. friend wants that. I have indicated to the committee that the stores on hand are over $3 million. The section we are now discussing seeks authority to increase them to $5 million. I have given the reason why the officers of the department feel that $3 million would not be sufficient and that $5 million is required. I have indicated also that finance in consultation with treasury and the Auditor General's staff thinks that this is not only necessary but peremptory.

Mr. Macdonnell (Greenwood): The minister in his usual nice way is trying to get this thing along. But, after all, all that the minister has done is to give us some generalities. He has asked us to accept his judgment as to the situation; he has referred to the finance department and to the Auditor General, all of which is quite impressive. But surely what I am asking is perfectly feasible. I am asking for an inventory of the main classes, let us say, in one of the largest depots, so that we

may reach some conclusion and not merely be in the position we are so often asked to be in, of just accepting what the minister gives us.

The minister has given certain general reasons. I would point out to him that if we stick to general reasons I can go on and spend the rest of the afternoon quoting what the Minister of Trade and Commerce has said. Evidently the minister and the Minister of Trade and Commerce have entirely different ideas as to how this should be done. I do not think it is unreasonable to ask for the figures in regard to one of the depots.

Mr. MacInnis: I have not been present during all the time this bill has been before the committee, but I do not think it should be too difficult for the committee to have an understanding as to whether the minister is asking for too much. First of all, I think we ought to know the value of the stores bought and used during the year. Then we should like to know how the revolving fund comes in. When we know that we should be able to tell whether the amount the minister is asking for is too much or too little. If they are getting along or nearly getting along with $1 million, it seems to me that $3 million is rather high.

Mr. Knowles: He was not getting along with $1 million; he was breaking the law.

Mr. MacInnis: To what extent was he breaking the law? Was he getting along with a million and a half or with two millions? As long as the fund is properly handled I do not think it is particularly important whether it is a little bit too much or not. But the main thing is that it should not be so much as to create a tendency to buy goods that may not be used and be permitted to become obsolescent.

Mr. Knowles: Can the minister give us assurance that if this clause passes the $5 million ceiling will be observed?

Mr. Chevrier: I think I can give the hon. member for Winnipeg North Centre the assurance that it will be observed.

Mr. Green: I think we are confusing the revolving fund, which is $5 million, and the stocks on hand, which at the present time are limited to $1,600,000. The minister has allowed the stocks to accumulate to a value greater than $1,600,000, but I do not think he has admitted yet that he has used more money than the old revolving fund of $1 million.

Mr. Knowles: He has admitted breaking both sections.

Mr. Chevrier: We are dealing with section 5. As I indicated, the value of the stocks on hand is $3,200,000, and according to the act it should be $1 million.

Mr. Green: Section 5 does not deal with the value of the stocks; it deals with the amount of advances to the Department of Transport.

Mr. Chevrier: We have exceeded the advances.

Mr. Green: By how much has the department exceeded those advances?

Mr. Knowles: A million or two.

Mr. Chevrier: I am informed that we have exceeded the appropriation by about $1 million.

Mr. Green: The minister has stated that up to date they have not required more than $2 million in this revolving fund, yet he is asking for an increase from $1 million to $5 million.

Mr. Chevrier: On a point of order, I do not think my hon. friend wants to create the impression that I have made that statement, because it is not so. It is just the reverse if anything. I have stated that the estimated value of the inventories is $3,200,000 and that, with the other items which I have given, we would require $5 million. I was asked by the hon. gentleman by what amount we had exceeded the advances, which is a different thing altogether.

Mr. Green: There are two different sections. One provides a revolving fund which at the moment is $1 million. The minister has said that his department has actually used in the revolving fund $2 million, which is $1 million over the amount permitted under the act as it stands at the present time. If the figure he gave was incorrect, let us have the right figure. If they have been using more than $2 million in the revolving fund, let us know what amount has been used.

Mr. Chevrier: The information I have is what I gave a moment ago.

Mr. Green: The information is that the most the department has used by way of the revolving fund is $2 million. I think even that figure is higher than the revolving fund of any other department. I suggest to the minister that his amendment, instead of calling for $5 million in the revolving fund which just gives the officials of the department that much more money to play around with, should call for $2,500,000 or $3 million. I submit that would be the proper business-like way to go at the question.

The Chairman: Shall the clause carry?

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Mr. Macdonnell (Greenwood): No. I have asked a question to which I should like to have an answer. I do not know just where we go from here. I do not know whether I am going to be kept standing up and sitting down all afternoon. No suggestion has been made that my question cannot be answered, and so far as I know there has been no suggestion that it is unreasonable. If that is where we stand at the moment I suggest that the section stand until the information is available.

Mr. Chevrier: I indicated to the hon. member the information I had available, and the only information that I could give him. My officers inform me that they have not got here a detailed statement by items of all the stores from one end of the country to the other. They have the total and it can be broken down with reference to the divisions of the department. I cannot give the amounts as to the divisions now. I think perhaps I can get them for the hon. member, but I do not think he should expect me to give him a complete inventory of all stores in the department. I am sorry, but I cannot give it to him.

Mr. Macdonnell (Greenwood): The minister might be a little more accurate. I think he remembers that I explicitly said I was not asking for that. I asked him if it would not be reasonable to get information about the stores in one particular depot. I shall be extremely surprised if I am told there is no record in general terms in the department at Ottawa. I am not asking about every last nail and bolt, but surely information as to the main categories of stores at Montreal, let us say, is available here. That is what I want to see.

Mr. Chevrier: I have not got it here but I can get it for the hon. member. For instance, I could get a breakdown of canal stores in the division, but I have not got it with me.

Mr. Knowles: I have one other question to try to straighten out the confusion which has arisen. We are now dealing with section 1 and I propose to stick to it. It relates to the amount of the advance of money that the Minister of Transport can get from the Minister of Finance. The present act provides for a ceiling of $1 million on that advance. The minister has said that at the present time, or at some recent date at any rate, the total amount advanced to him was $2 million. May I make it perfectly clear that that need have no relation to the value of the inventory. I am leaving that out of the question. I want to ask the minister whether the advance in money or in credit, if you like, from the Minister of Finance to the Minister of Transport has at any time been greater than $2 million. If so, what has been the highest figure?

[The Chairman.]

Mr. Chevrier: No, it has not been greater than $2 million.

Mr. Knowles: All right. We can still talk only about the money if my good friend, the hon. member for Vancouver-Quadra, will not bring in the question of inventories. May I ask why, if at no time it has been necessary to have an advance greater than $2 million, which is $1 million more than the law allows, the minister is now jumping to the figure of $5 million? Would it not be reasonable to place it at some figure not too far above the $2 million advance which has been the experience thus far?

Mr. Chevrier: I am informed that at no time has there been a greater advance than $1 million. The amount referred to a moment ago was the amount that was obtained from the Department of Finance, namely, $1 million.

Mr. Knowles: What was the minister referring to when he used the figure of $2 million?

Mr. Chevrier: I think perhaps the statement I gave a moment ago was misinterpreted. As of March 31, 1949, the inventory as reported by treasury was valued at $2,029,859 which is $72,491 in excess of the maximum amount made available for stores purposes. The $1 million authorized to be draw from the consolidated fund has therefore all been invested in stores, and $72,491 more.

Mr. Knowles: Does the minister understand that?

Mr. Chevrier: I do not know that I do.

Mr. Green: Mr. Chairman, I think it is perfectly obvious that in asking for a revolving fund of $5 million the department is being very extravagant. There is no need whatever for a revolving fund of that size. Therefore I move, seconded by the hon. member for Greenwood:

That section 1 be amended by substituting the words "two million" for "five million."

Mr. Chevrier: I gave the reasons why that could not be done. I gave the reasons why we should have $5 million, and I cannot accept the hon. member's amendment.

Mr. Knowles: In support of the amendment I must say I think the minister has given reasons for the next section which we have not reached yet. I can see his case for raising the ceiling on the inventory or for there being no inventory at all. But with parliament meeting for as much of the year as it

does, with estimates and supplementary estimates and further supplementary estimates, I cannot see the need of there being an advance greater than any amount the minister has yet had to get from the Minister of Finance. I think the suggestion that the figure of $5 million be reduced to $2 million is a good one, and personally I am going to support the amendment.

Mr. Macdonnell (Greenwood): I wonder if we fully understand—I am not sure that I do—exactly how the advance operates. I want to ask the minister this question. At the present time the amount of the advance to the Minister of Transport shall at no time exceed $1 million. That is the law at the moment. The minister gets $1 million and spends it on stores. Then what happens next? Does he go back to treasury and say, "I have spent my million dollars and I want another". Is that what happens?

Mr. Chevrier: No; that is not what is done. I understand we get our money back through repayment from the various votes that were mentioned a moment ago, some thirty of them.

Mr. Macdonnell (Greenwood): Let me understand that further. When you receive your advance of $1 million you spend it and therefore you have used that up for the moment. I do not think I understand how you get a further advance. Obviously you have got a lot more stores because you get more than $1 million in a year. Would the minister repeat what he said on that?

Mr. Chevrier: Stores are being issued from day to day, and by the time the $1 million has been exhausted by purchases of stores, the votes mentioned earlier have been passed by parliament, and from those votes are obtained additional funds to replenish the stocks required in the various depots.

Mr. Macdonnell (Greenwood): What did your votes total last year?

Mr. Chevrier: The votes for stores? I have not the figures, but I am told we turned over more than $7 million last year in stores purchases.

Mr. Green: Apparently the position is that under the present law the minister can spend up to $1 million without a vote; that is, before any money is appropriated by the house. He has told us that the greatest amount by which he has ever had to exceed $1 million was some $72,000. Now, in this amendment, he is asking authority to spend $5 million without a vote, yet he has just told us that the total purchases, including what is bought without a vote and what is covered by votes of this parliament, were only $7 million. Surely there is no reason why his department should have power to spend $5 million without a vote, out of a total of $7 million required for the whole year. I believe that proves conclusively that if this revolving fund were made $2 million instead of $1 million it would be more than ample to meet the requirements of the department.

Mr. Chevrier: It is not accurate or fair to say that the department is spending $1 million without a vote, because all the money to be spent is shown in the estimates which will be discussed later on. Those estimates will contain provision for all the money the Department of Transport expects to spend during the fiscal year 1950-51; but before the money is voted it is necessary to have a fund from which money can be drawn in order to put stocks in the stores. As I said earlier, when the amount has been expended and we need additional stores, whether they be for steamers, for canal services or anything else, then it is necessary to obtain an appropriation from the Department of Finance. I believe the amount asked for is reasonable in the light of the figures I have placed on the record.

Mr. Knowles: May I come at it this way? We have before us now the estimates for the fiscal year ending March 31, 1951. In those estimates are many items for stores. The minister said the total last year was $7 million, and I presume it would be the same or close to it this year. Then do I take it this is the picture, that the department is asking parliament to vote some $7 million for stores in the regular way, the money to be available between now and March 31, 1951, but that before we can get around to voting the estimates for 1951-52 stores not provided for thus far may be required, and that is why this advance is necessary? If that is the case, what does this minister have that other ministers do not have, that he can get this kind of a fund?

Mr. Jeffery: I would ask the minister whether all he is asking for is not merely $5 million of working capital which, as in an ordinary company, would be replenished from time to time from the votes passed by this parliament.

Mr. Chevrier: That is right.

Mr. Stewart (Yorkton): And in addition every item is accounted for to the house.

Mr. Chevrier: That is right.

Mr. Macdonnell (Greenwood): Last year the minister bought some $7 million worth of stores, and had a fund not exceeding $1 million. What inconvenience was suffered? Were purchases delayed? What was the

exact inconvenience to the service last year by reason of this limitation? Was there delay, or was any other inconvenience suffered?

Mr. St. Laurent: My understanding is that these are stores from which supplies are drawn as required, and under the act these stores should never amount to more than $1 million. It has been found that a reserve stock of $1 million is not sufficient.

Mr. Green: I think the Prime Minister is confused. If I may point out to him, the amount permitted for stocks under the present law is $1,600,000, and we are not discussing that at the moment. We are discussing the revolving fund of $1 million, which is quite a different thing. The minister is asking that it be increased to $5 million, and I have moved in amendment that it be fixed at $2 million.

Mr. Knowles: May I ask whether the Minister of Public Works has a fund like this to cover expenditures which he does not anticipate?

Mr. Fournier (Hull): No, Mr. Chairman. Purchases made by my department come out of votes of this parliament. We may be committed to certain expenditures from year to year, but as far as I know we have no revolving fund.

Mr. Knowles: And the Minister of Public Works has stores, cleaning supplies and all sorts of things, which he must have on hand; but he must put his requirements in the estimates in the regular way.

Mr. Chevrier: The Minister of Public Works has stores but he does not have operating services such as we have in the aids to navigation branch, the radio branch, the civil aviation branch, the telephone and telegraph branch and so on.

Mr. Knowles: I could understand it if all the stores for these servicing departments were provided from a fund like this, but the minister has admitted that most of the stores that have to be purchased are provided for in the estimates. Apparently this is a fund for unanticipated stores that may have to be purchased before we get around to voting the estimates of next year.

Mr. Green: Surely this plan of having a revolving fund should be followed only in very rare instances. In 1939 the present Minister of Trade and Commerce instanced the printing bureau and the Department of Mines and Resources. It must be perfectly obvious to all hon. members that financing by means of a revolving fund is entirely out of line with our method of government financing, which should be carried on by means of appropriations. It is only in very rare cases that a revolving fund should be required. The minister already has a revolving fund of $1 million. He has told the committee that last year he required a few thousand dollars over that figure, so a revolving fund of $2 million should be more than ample to meet the requirements of his department; and I suggest that even at that figure it will be higher than any other revolving fund in the government service.

The use of revolving funds strikes at the very root of the authority of parliament, which is supposed to have control of the purse strings. The theory is that nothing may be spent by any government until that money has been appropriated by parliament, and particularly by the House of Commons. The use of these revolving funds derogates from that power of the House of Commons. Here we have an instance in which the minister himself admits that he has not needed even $2 million in that fund. So I urge that he accept the amendment and let the figure stand at $2 million rather than ask for this amount of $5 million in the revolving fund.

Mr. Chevrier: I do not think the amendment should be accepted. At the same time I believe there are some further explanations due the committee, so perhaps at this stage I should move that we report progress and ask leave to sit again.

Section stands.

Progress reported.

SUPPLY

The house in committee of supply, Mr. Beaudoin in the chair.

DEPARTMENT OF TRANSPORT

459. Departmental administration, $1,012,455.

Mr. Green: Is the minister going to make a statement?

Mr. Chevrier: No, I have no statement to make. It has never been customary for the Minister of Transport to make a statement on his estimates: first, because there are a number of bills that come up from time to time; second, because many of the matters in which the house is interested have been discussed in committee. It has been the practice over the years, certainly over the years I have been in the department, to take the estimates item by item.

Mr. Green: I would ask, Mr. Chairman, that before this administration item is carried, the minister make a statement to the house about the present situation in shipbuilding and shipping. It is quite impossible for those of us who are responsible for dealing with the estimates to discuss these particular subjects

until we have a statement from the minister. For example, with regard to shipbuilding, there was a bill passed at the last session which provided for accelerated depreciation for shipyards under certain conditions. We should like to know from the minister what results have flowed from that legislation, whether there has been an increase in shipbuilding in Canada.

We should also like to know whether or not any of the funds which have been held in trust for ship owners, who sold their cargo vessels to a foreign flag company, have been used for the building of new ships. We all recognize the great importance of having modern fast cargo vessels for Canada, and it was the understanding that this money was to be held in escrow by the Canadian maritime commission, and would be used for the building of these new ships. We would like to know whether any ships have been built.

The government announced a new policy for the Canadian merchant marine at the close of the last session. Roughly speaking, the plan was to reduce the Canadian merchant fleet to forty vessels, all of which were to be eligible for a subsidy. I believe there was to be an amount provided in the estimates this year for that subsidy. The plan involved the transfer of a good many ships from Canadian registry to United Kingdom registry. It meant also that many Canadian ships would be laid up, or put in mothballs, and a great many Canadian seamen would lose their employment, or as they say, "go on the beach". I ask the minister to let us know before this administration item is passed just what the picture is with regard to both those questions; first, the question of shipbuilding in Canada, and second the Canadian shipping policy. We have had no definite information on either of them since the last session, and the committee is entitled to have the facts and figures showing just how those policies are working out. If we do not get that, it is quite impossible for us to deal with these questions.

Mr. Chevrier: I agree fully with the hon. gentleman that he should get the information. He will remember that last year we discussed the matter when we got to the maritime commission items. The hon. member will recall that the maritime commission is responsible for the shipbuilding program, and the act respecting special depreciation that was passed at the last session is also under their jurisdiction. I hope he will find it possible to agree with me, and when we get to that item, which I hope will be soon, I shall be in a position to make a statement on it. We are now on item No. 459.

Mr. Green: We are on the administration item. These two problems are of such importance that I would urge the minister to make a statement with regard to them on this administration item, rather than wait until the Canadian maritime commission vote comes up, which may not be until a week or two before the house prorogues.

Mr. Chevrier: I shall give consideration to it.

Mr. Stewart (Yorkton): There is one item to which I should like to direct the attention of the minister, and I do so with no desire to hold up his estimates. It is the Crowsnest rates agreement. It has already been ruled that the matter is not debatable in this house. Western Canada is deeply concerned about those rates, so that some time when the minister is dealing with the matter of general administration I should appreciate a statement about the Crowsnest freight rate agreement. It is a statutory agreement, and I should like assurance that, as a statute of this dominion, it will not be dealt with until there has been ample opportunity for debate in this house.

Mr. Chevrier: I would hesitate to make a statement on the question of the Crowsnest rates at this time, because the matter is before the royal commission and has been receiving the consideration of that body. It has been a rule of this house that when matters are before commissions they are considered sub judice, and for that reason should not be debated. I have made statements before concerning the rates, which can be found in *Hansard*.

The house will know and realize, and I presume this is what my hon. friend has in his mind, that the rates cannot be changed except by statute.

Mr. Stewart (Yorkton): And there will be a full opportunity for this house to debate the matter before any such change is made.

Mr. Chevrier: They are statutory rates, and could not be changed without an amendment to the statute.

Mr. Drew: There is one point I should like to have clarified at this time. At the time both the accounts for the year before, and the estimates of the coming year, of the Canadian National Railways and Trans-Canada Air Lines were before the committee, the Minister of Trade and Commerce spoke on behalf of those organizations on more than one occasion. Will the minister inform me whether they come under the Department of Transport or under the Department of Trade and Commerce?

Mr Chevrier: The Canadian National Railways items come under the Department of Transport.

Mr. Drew: What about Trans-Canada Air Lines?

Mr. Chevrier: Trans-Canada Air Lines come under the Department of Trade and Commerce.

Mr. Drew: How can that be, in view of the fact that Trans-Canada Air Lines is a wholly-owned subsidiary of the Canadian National Railways?

Mr. Chevrier: By virtue of the assignment of duties act, the Trans-Canada Air Lines have been assigned to the Minister of Trade and Commerce just as the C.B.C. has been given to the Minister of National Revenue.

Mr. Drew: I believe, Mr. Chairman, that this is the appropriate point at which to indicate the inconsistency of this situation. The Trans-Canada Air Lines is, in fact, a part of the Canadian National Railways, no matter what may be said to the contrary. The Canadian National Railways entirely own the Trans-Canada Air Lines. It would be quite proper for the accounts of the Trans-Canada Air Lines to be shown as part of the Canadian National Railways, as a wholly-owned subsidiary; and in fact I would think that in ordinary bookkeeping they should be.

The president of the Trans-Canada Air Lines is an official who gives his whole time to the Trans-Canada Air Lines. The controller of the Trans-Canada Air Lines, on the other hand, is a man who, according to his own estimate, gives one-twelfth of his time to the Trans-Canada Air Lines and the remainder of his time to the Canadian National Railways. A number of the officials hold corresponding positions in the two organizations. For that reason it seems both impractical and contrary to ordinary business procedure to have one minister in charge of the large organization which controls entirely, so far as the business end is concerned, the smaller organization, and to have another minister responsible for that smaller organization. Yet that is the situation. According to what the minister has now said, the Canadian National Railways comes under the Minister of Transport, and the Trans-Canada Air Lines, a wholly-owned subsidiary of the Canadian National Railways, comes under the Minister of Trade and Commerce. No matter what the arrangements have been, I suggest that it would be appropriate that a statement be made by the government that this situation will be rectified and that the Trans-Canada Air Lines will be brought under the same minister who is responsible for the administration of the Canadian National Railways.

The Deputy Chairman: Shall the item carry?

Mr. Drew: No.

Mr. St. Laurent: Without rising at this time, Mr. Chairman, to deal with the suggestion that is made by the leader of the opposition, may I take just a moment to make a suggestion and ask hon. members to give it some thought. Here when we deal with the estimates, the first item is always general administration. Frequently on general administration there have been long debates which happened to be duplicated when we were dealing with the individual items. I am just asking hon. members to consider whether they would not prefer to have the item of general administration in each department deferred until the individual items had been dealt with. Then in the light of the information that would have been elicited with respect to each item, I think there could be a more satisfactory discussion of general administration.

I am not asking for a decision by hon. members at this time; but it has occurred to me that it might be helpful if, in committee, we went into the individual items and on those individual items obtained the information available. With that, I think we would be in a better position to discuss the general administration and it would also enable us probably to avoid some of the duplication. The detailed information would have been obtained on each of the headings, and everyone would then have had that information with which to enable him to form his own opinion about the general administration of the department. I think he would then be in a better position to make objective suggestions as to the way in which he might feel the general administration of the department could be improved.

As I say, I am not asking hon. members to agree to that procedure for the time being; but I believe that if they will just give it some thought, it might recommend itself to them. We on our part would be quite prepared to allow the item of general administration in each department to stand, and to have the general discussion after the individual items had been passed and after the information sought by hon. members had been given on those individual items.

Mr. Green: May I point out to the Prime Minister, Mr. Chairman, that there is one serious objection to any such plan, and it is this. Ever since I have been here, the practice has been that most of the estimates go through in the last week or two of the

session, and there is absolutely no opportunity for a proper discussion on those estimates. Over the last year or two a system has been worked out whereby, on each department, there is a general review of the whole department on the administration item; one day has been set aside for each department. For example, today we have the Department of Transport estimates up just for that purpose, namely, a general review. When that review has taken place, ordinarily it does not take long to get through the individual items. If, on the other hand, we try to do the individual items first, I think the Prime Minister will find that there will be a long debate on every single individual item or on most of the individual items, and the result might be a great deal more delay than we have under the present system. Then when it came to a general review of the department at the end of the session, there would be no time in which to conduct such a review.

Mr. St. Laurent: There may be objections, but I would ask hon. members just to consider the alternative of taking the individual items first, getting the information about them and then having a discussion on the general administration of the department after that information has been obtained. There are objections to any course. There are objections to there not being more time available to deal with the estimates. But there are so many matters that hon. members wish to have discussed at considerable length on the floor of the house that I am sure each of us endeavours to have the best use made of the time available.

Mr. Drew: May I just suggest this. There is certainly a great deal to be given consideration in regard to ways in which we can facilitate the handling of the various items. There are reasons why it is advisable to discuss certain things at the beginning, and I can see reasons for deferring certain aspects of the discussion. But just before we rise, might I earnestly suggest that some consideration be given to the situation which arises from having the Trans-Canada Air Lines under one minister and the Canadian National Railways under another; because among the accounts that we shall be examining in the Department of Transport are the accounts dealing with aeronautics and civil aviation generally. I suggest that, even at this stage, the desirability of bringing these two together might be given some consideration.

At six o'clock the Speaker resumed the chair and the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

PRIVATE BILLS

PRAIRIE TRANSMISSION LINES LIMITED

The house in committee on Bill No. 9, to incorporate Prairie Transmission Lines Limited—Mr. Benidickson—Mr. Beaudoin in the chair.

On section 1—*Incorporation.*

Mr. St. Laurent: Mr. Chairman, on rising at this time I cannot content myself with the negative statement that I had not intended to do so. I want to assert affirmatively that I had not intended to speak in these protracted debates on these bills to incorporate the pipe line companies. My reason for changing that intention is that a couple of hours ago a newspaper story published in this morning's *Gazette* was brought to my attention. This newspaper story is at page 11 of today's issue, and bears the title, "Gardiner Said to Be Demanding All-Canadian Pipe Lines Route". It purports to be a report of the proceedings of a Liberal caucus held last Wednesday morning.

Now, all hon. members know that the deliberations of party caucuses are confidential, just as are the deliberations of council. I am quite sure that no one who attended that caucus ever informed anyone, outside of party members, of anything that transpired within the walls of the hall where it was held. So the whole story about what goes on in our caucus, just as any story about what goes on in the caucuses of any other of the parties, must be the writer's guesswork in that respect.

He would not expect me, I am sure, and no one else would expect me to say anything here about what went on in that caucus, either by way of confirmation or by way of denial. I think the security and the confidential character of caucuses is best preserved by abstaining from confirming or denying any of these newspaper stories, and just leaving them, as it is best to leave any other trial balloons or kites, to explode or break up in consequence of their own inherent weaknesses rather than do anything positive to hasten that result.

But this story contained more than a purported report of what took place in caucus. It has this paragraph:

> The high degree of interest in these reports out of caucus stems from the fact that, up to the present, the government had made it plain that it felt that parliament should give the two companies a free hand in selecting the route along which they would build the huge pipe line. And both the

Alberta Natural Gas Company and Prairie Transmission Lines, Limited, have made it equally plain that they would prefer to use a route through the United States to the Pacific coast, ostensibly because of higher costs involved for the Canadian route, but perhaps with an eye to tapping rich, inland United States markets.

I do not know what the companies have made plain. I did not attend the meetings of the committees. I have not seen any of the promoters of these companies. I have not read the testimony taken in committee, nor the report of the committee. I do know that if anyone in the press gallery had come to the conclusion that the government had made it plain that it felt that parliament should give the two companies a free hand to select the route along which they would build the huge pipe line others may have reached the same conclusion, and I feel I am called upon to point out that there was no such thing made plain by the government, nor ever intended to be made plain by the government.

The position of the government has been quite otherwise, and I am going to make a statement here, lest there might be others than members of the press gallery who might have assumed that there was anything of that character made plain in the attitude of the government.

The article goes on to say:

The Progressive Conservative, C.C.F. and Social Credit members, who have resorted to an outright filibuster to hold up the bills—and succeeded throughout last session—have offered many times to pass the bills without delay as soon as the government or sponsors of the bills gave assurances that the all-Canadian route would be used.

Well, I am not going to say anything about whether there has been a filibuster or not. There has been protracted discussion, we know, and it has gone over quite a long period of time. But, be that as it may, the sponsor of the bill cannot, of course, give an assurance where the pipe line will be built. The government can give no assurance whatsoever. To attempt to give such assurance would be practically contempt of parliament.

Parliament last year determined that this matter would be one to be turned over to the board of transport commissioners; and for the government to attempt to usurp the functions of the board of transport commissioners would be contempt of the will of parliament expressed in the Pipe Lines Act.

Now, so that there may be no doubt about that, let us see what we are faced with. These companies are to be incorporated, and to have certain corporate powers. The bills—this one and the other—are in practically the same terms; and those passed last year were in the same terms. This one states:

The company shall have all the powers, privileges and immunities conferred by, and be subject to all the limitations, liabilities and provisions of any general legislation which is enacted by parliament, relating to pipe lines for the transmission and transportation of gas and oil or any liquid product or by-product thereof.

And then it says:

The company, subject to the provisions of any general legislation which is enacted by parliament, relating to pipe lines for the transmission and transportation of gas and oil or any liquid product or by-product thereof—

Shall have such-and-such powers. Now, parliament determined that any company which is incorporated would be subject to the various sections of the Pipe Lines Act, which is chapter 20 of the statutes of 1949. The act provides that "board" in the Pipe Lines Act means the board of transport commissioners. Section 11 of the Pipe Lines Act provides that:

A company shall not, except as in this act otherwise provided, begin the construction of a section or part of a company pipe line, until,

(a) the board has by order granted the company leave to construct the line;

(b) the plan, profile and book of reference of the section or part of the proposed line have been approved by the board; and

(c) copies of the plan, profile and book of reference so approved, duly certified as such by the secretary of the board, have been deposited in the offices of the registrars of deeds for the districts or counties through which such section or part of the company pipe line is to pass.

Now, what has to be done when application is made for leave to build a pipe line, or any part of a pipe line? Section 12 of the Pipe Lines Act states:

(1) Upon an application for an order granting leave to construct a line, the company shall file with the board a map showing the general location of the proposed line, the termini, and all cities, towns, villages, railways and navigable waters through, under or across which the line is to pass.

(2) The company shall file a copy of the application and of the map with the attorney general of each province to which the application relates in whole or in part, and the board shall require notice of the application to be given by publication in newspapers or otherwise.

(3) Upon the application, the board shall have regard to all considerations that appear to it to be relevant and in particular to the objection of any party interested, to a public interest that in the board's opinion may be affected by the granting or the refusing of the application, and to the financial responsibility of the applicant.

(4) The decision of the board as to whether a person is or is not a party interested within the meaning of this section is binding and conclusive.

(5) Where the board grants leave to construct a line, it may impose such terms and conditions as it considers proper and may limit the time within which the company shall construct and complete the line.

When that application has been granted, that and nothing else can be done. If there is to be any deviation whatsoever, then under section 20 the same procedure has to be followed to obtain leave to deviate from the line. However, this is subject to the right

of the board to give an exemption provided the deviation is merely intended to straighten out a curve or to lessen a grade. I quote partly from subsection 3 of that section as follows:

—if such deviation, change or alteration does not exceed 300 yards from the centre line of the company pipe line, located or constructed in accordance with the plans, profiles and books of reference approved by the board under this act.

Mr. Stewart (Yorkton): I do not think you read into the record section 9 which deals with the interprovincial operation of the pipe line.

Mr. St. Laurent: Section 9 reads:

A company operating a company pipe line from a place in Canada to a place on the international boundary line may exercise, beyond such boundary, in so far as permitted by the laws there in force, the powers that it may exercise in Canada.

Mr. Stewart (Yorkton): Which was explained to the house when the bill was passed.

Mr. St. Laurent: Those are the provisions that apply to any company that gets a charter from this parliament. By that statute parliament placed jurisdiction and responsibility for considering the whole question upon the board of transport commissioners. I assume that, at the time it was considered by parliament, the board of transport commissioners would be a competent board to discharge that kind of responsibility. I think it should be realized by the people of Alberta and the people of British Columbia, who are naturally gravely concerned about the proper development and use of their natural resources, that parliament has put upon the board of transport commissioners the responsibility of examining applications and objections and all information necessary to arrive at a proper decision.

This is the same board to which the people of those provinces applied with success not so long ago to have remedied one of their traditional grievances, the mountain differential in freight rates. That matter had been referred to many times in this house, but that also was something in connection with which parliament had placed responsibility and jurisdiction in the board of transport commissioners. The people of Alberta and British Columbia rightly went to that board and made their case and I am informed that the decision gave them satisfaction in respect of that grievance. It is the same board.

If parliament feels at this or any time that that board is not competent to do the right kind of job, the way to remedy that situation is to amend the Pipe Lines Act and not to attempt by discriminating in favour of one or against another company to do it in a partial way. Three charters in practically the same terms as those in the bill before us were granted at the last session of parliament and each of those charters is subject to the legislation then existing or to such future legislation as parliament might choose to enact with respect to pipe lines. If there is to be another tribunal or another board that would determine these matters, then the taking of such a step should be settled by amending the Pipe Lines Act.

As to the very interesting question as to whether the topography of our country is such that it permits the building of a pipe line without going outside our territory, I am sure that not only the people of British Columbia and Alberta but the people of all Canada would rejoice in that kind of decision.

It is not only the people of Quebec and New Brunswick who have deplored the fact that the Canadian Pacific had to run through Maine to get to New Brunswick; that was something which concerned the people of the whole dominion. It was because of their feelings in that respect that the Canadian National took the long course through the valley of the Matapedia adding a great many miles to the distance. Nevertheless they provided an all-Canadian route. It was for that reason that the route traced for the transcontinental railway when it was built some forty years ago goes through the county of Temiscouata and into New Brunswick without departing at any time from Canadian soil. That is a thing which I think is of satisfaction to us all.

I am not going to suggest that the protracted debates in this parliament about the desirability of an all-Canadian pipe line for the gas and oil of Alberta has been a waste of time. It has aroused public opinion as to the desirability of doing that if it is possible. I would expect that that would not be lost from the point of view of the members of the board of transport commissioners and that they would not lightly disregard the unanimous desires of Canadians that their own territory be used to the greatest possible advantage. I would expect that when they got an application and before they approved anything, they would want to be shown that there is or there is not a practicable way of doing it without going out of Canada. I would expect that they will require the applicants to satisfy them that surveys of the various routes mentioned in this discussion have been made.

I do not claim to know enough about the topographical conditions, about the mountain passes, to be able to formulate an opinion as to whether or not they present insuperable

difficulties. But if I were a member of a board charged by parliament with the responsibility of making that kind of decision and were called upon to exercise my judgment, I would want pretty full evidence that it could not be done in Canada before I would put my signature to a plan or project that was not going to be carried out in Canada.

I suggest that unless and until we come to the conclusion that the board of transport commissioners cannot be entrusted with that kind of responsibility, because we do not feel that they are either competent enough to do it properly or sufficiently imbued with the spirit of the Canadian people to want to do it properly, the thing for us to do is to amend the Pipe Lines Act in a manner that will apply to every company that secures a charter for a pipe line and not in a manner that will discriminate in favour of one against another. Perhaps one has to say in words what one wants to have regarded as plain. I am speaking as one of the members of the government, and I want to make it plain that I have sufficient confidence in the board of transport commissioners to vote for the passage of these bills. I am not asking anyone to follow my example, but I am suggesting that my reason for doing so is not because I am determining where the pipe lines are going to be built but because I feel that the board which parliament selected only a year ago to discharge that responsibility is competent to do so, and will discharge it in a manner that will do justice to all Canadian citizens.

Mr. Green: Mr. Chairman, the Prime Minister has based his whole argument on the premise that the board of transport commissioners is the body which should decide the question whether or not the pipe line must serve the Canadian people first. May I suggest to him that if a similar attitude had been taken in the days of the construction of the Canadian Pacific railway across Canada the government of the day would have asked some board created by it to make the decision whether or not that railway should be laid in Canadian soil from coast to coast or whether it should cross into the United States at Sault Ste. Marie, thus avoiding the rocky northern shore of lake Superior. Another example is the one he has just mentioned.

Mr. Stewart (Yorkton): Will the hon. member permit a question?

Mr. Green: You can ask all the questions you wish when I am finished. Another example is the old Intercolonial railway to which the Prime Minister has referred. Surely the Prime Minister is not suggesting that the decision as to whether or not that line should be built entirely on Canadian soil should have been left to some board. Whether pipe lines should be laid in United States soil in order to serve other parts of Canada is far too important a question to be settled by any board set up by the government.

Mr. Fournier (Hull): Why did you vote for the bill last year?

Mr. Stewart (Yorkton): Why did you vote for that bill?

Mr. Fournier (Hull): Why did you vote for that bill?

Mr. Green: This policy is the responsibility of the house, and more particularly the responsibility of the government, and cannot be evaded by passing the job to the board of transport commissioners.

Mr. Fournier (Hull): You did that last year.

Mr. Stewart (Yorkton): You voted for the bill last year.

Mr. Green: The Minister of Public Works says that is what we decided last year.

Mr. Fournier (Hull): You were one of them.

Mr. Decore: Did you not vote for it last year?

Mr. Green: Let me point out to the minister that when that bill was put through the house last year there was not the slightest suggestion that the board of transport commissioners would have the power to decide whether or not a route to the west coast should go through the United States.

Mr. Fournier (Hull): It is right in the statute.

Mr. Green: Furthermore there was no suggestion that the board of transport commissioners should have the power to decide that the main oil pipe line to eastern Canada should go through the United States by way of Gretna instead of going to our own Canadian cities at the lakehead. Incidentally, I think it was as great a betrayal of Canada as any since confederation when that oil pipe line was allowed to go to Superior, Wisconsin. It is folly to suggest that the board of transport commissioners can decide questions of that kind. They have no jurisdiction over these pipe lines once they leave Canadian soil. In the case of the oil pipe line to the east, all that the board of transport commissioners did was to say that the pipe line could be built to Gretna, Manitoba, and there their power ended. They had no power whatever to say where that pipe line would go once it left Canadian soil. If they are to decide whether or not the gas pipe line to the west coast is to go through the United States, they cannot properly do so because they can

only say that it will go to Kingsgate on the Canadian boundary. After it leaves Kingsgate it comes under the jurisdiction of the United States federal power commission. If there is to be a stub line back to Trail then the board of transport commissioners can say that there will be a stub line for fifteen or twenty miles in Canada from the boundary, up the valley of the Columbia river to Trail, and then another stub line in Canada to Vancouver from Monroe on the United States west coast. The jurisdiction of the board of transport commissioners is confined to that part of the stub lines lying within Canada.

When the Prime Minister suggests that the board of transport commissioners can settle all these questions as to where the route should be he is not being realistic. He is failing to face the facts.

Mr. St. Laurent: Will the hon. member permit a question? Is he suggesting that parliament has any more right to determine where it would go outside the boundary of Canada than has the board of transport commissioners?

Mr. Green: We do not care where it goes after it crosses the boundary of Canada provided it has served Canadians first before it leaves our country. That has been the whole basis of our fight. Once Canadians are served we are only too glad to see the surplus gas go down to the west coast United States cities of Seattle, Portland, Tacoma, and it is even to be used 100 or more miles farther south at Eugene, Oregon. But parliament should say that the main line to the west coast must be laid in Canadian soil.

Mr. St. Laurent: The board of transport commissioners can say the same thing.

Mr. Green: That responsibility is the responsibility of this parliament. It does not require an amendment to the Pipe Lines Act although I think that act should have provided for the main lines of all these oil and gas pipe lines to be laid in Canadian soil. All that is required to bring about the end which we now learn from the Prime Minister he would rather like to see, in other words, the main line laid in Canadian soil, is to amend these charters to make that provision. We tried to do that in the committee on railways, canals and telegraph lines but the Prime Minister's own supporters to a man voted us down.

Mr. St. Laurent: I think they did right.

Mr. Green: It was a straight party vote and they voted us down.

Mr. St. Laurent: If I had been there I would have voted with them because I think the way to do it is not to amend private charters but to amend the Pipe Lines Act in a manner that will apply to all companies.

Mr. Green: The Prime Minister is willing to put up all these legal arguments and reasons as to why it cannot be done and why it should not be done, but let him not forget that in effect what he is doing is asking the people of British Columbia to accept a main line to the coast going through the United States. There is not the slightest doubt but that both these applicants for incorporation intend to build the main line in the United States if permitted to do so. The bulk of their market is in the northwestern states, and they want to get there by the shortest possible route. There is no question about that. I was going to suggest to the Prime Minister that there is no reason why these two bills should not now be amended to provide that the requirements of Canadians must be met first, and also that the main line must go to the west coast over Canadian territory. There is no reason, either—

The Deputy Chairman: Order.

Mr. St. Laurent: I am afraid some of my supporters, or erstwhile supporters on other matters, are interfering with my hon. friend's argument.

The Deputy Chairman: Order.

Mr. Green: I point out to the Prime Minister that it is still possible to amend these two charters, and that the other day the hon. member for Fraser Valley rose in his place and advised this house that the company which obtained a charter last year—and it only got that charter because it agreed to build in Canada first—is willing to have written into its charter exactly the same amendments that may be written into these other charters.

Mr. St. Laurent: The hon. member knows that cannot be done.

Mr. Green: Why not?

Mr. St. Laurent: Because it is a private charter, and amendments have to be sought by petition from the incorporators.

Mr. Green: Well, the hon. member sponsored the bill to incorporate Westcoast Transmission Company last year, and I presume he spoke with authority the other evening when he said they were willing—

Some hon. Members: Oh, Oh.

Mr. Cruickshank: On a point of order, Mr. Chairman, since my name has been mentioned by both the hon. member for Vancouver-Quadra and the Prime Minister—

Mr. St. Laurent: No.

Mr. Cruickshank: Well, indirectly by the Prime Minister; and I can say now with authority—

The Deputy Chairman: I must ask the hon. member to state his point of order.

Mr. Cruickshank: I am stating it. It has been said that it cannot be done. The West-coast Transmission Company—

Mr. Stewart (Yorkton): That is not a point of order, Mr. Chairman.

The Deputy Chairman: I think the hon. gentleman should await another opportunity to make his speech.

Mr. Green: Well, I have known the hon. member for Fraser Valley for many years. I know his courage on the battlefield was not exceeded by that of any soldier in the Canadian corps. When the hon. member takes a stand he does so because he is courageous; and when the other evening he said this company was prepared to bring in its charter and have it amended in exactly the same way the other two charters were amended, I believe he told the truth. This house can do anything by unanimous consent; and if the will is there—

Mr. St. Laurent: Do you think there is going to be unanimous consent on anything connected with pipe lines?

Mr. Green: If the will is there to provide that this pipe line must be laid in Canadian soil, that can be done, and there is no use making excuses of one kind and another to the effect that it is impossible.

Mr. Stewart (Yorkton): Would my friend permit a question?

Mr. Green: No, I am not going to answer any of your questions until I am through.

The Deputy Chairman: Order. I must ask all hon. members to permit the hon. member for Vancouver-Quadra to proceed with his speech. I would also remind hon. members that, without his consent, they may not interrupt the hon. gentleman who has the floor.

Mr. Green: The Prime Minister mentioned discrimination. Well, if that were done, if these three charters were amended in exactly the same way so that any main line to the west coast would have to be laid in Canadian soil, there would be no discrimination. I believe at this time it is possible to arrange to have these three bills become law in exactly the same form. I moved an amendment in the committee, and if the Prime Minister will look at Bill No. 9 he will see how that amendment would fit in. The amendment was to section 6, which sets out the special powers of the company, and which starts in this way:

> The company, subject to the provisions of any general legislation which is enacted by parliament, relating to pipe lines for the transmission and transportation of gas and oil or any liquid product or by-product thereof, may—

Then I moved that these words be inserted before the word "may":

> and subject to the condition that it may export gas or oil to the United States only to an amount in excess of the amount required by consumers in Canada—

A second amendment was moved to paragraph (a) of section 6 in these words, the words immediately preceding having given the company power to transport gas and oil within the provinces of Alberta and British Columbia or outside Canada, with various additional provisions—

> —provided that the main pipe line or lines, either for the transmission and transportation of oil or gas shall be located entirely within Canada.

Mr. Diefenbaker: What happened to those amendments?

Mr. Green: Both amendments were voted down by the government members of the committee. I remind the Prime Minister just in passing that these companies are also asking the right to transport oil, and in the long run that may prove to be far more important than the gas. There are only three companies which have made it perfectly clear that their intention is to take this Canadian product to the west coast, so they are the only companies we need to consider. Those others which were incorporated last year mean to bring the gas or oil, as the case may be, to the east.

Mr. St. Laurent: Their powers under their charters are unlimited, however.

Mr. Green: Well, I do not think we can ignore the fact—

Mr. Stewart (Yorkton): The law is there.

Mr. Green: Oh, keep still until I finish. I do not think we should ignore the fact that only three companies want to take gas and oil from Alberta to the west coast. So if provisions of that kind are written into these three charters, they need not necessarily be written into the charters of companies bringing those resources to the east. The position there may be entirely different. There is no doubt, however, that these three companies are only asking permission to take gas and oil to the west coast, and that is the condition we must meet. I do not believe the Prime Minister and the members of this committee, in fact I do not believe parliament, can ignore certain other facts which we must keep in mind.

All three companies are now going to apply for the route through Yellowhead pass. The Westcoast Transmission Company has confined its application to that one route. Although in their petition the Prairie Transmission Lines Limited asked parliament to give them a charter covering the route through the United States, when they went before the committee they said they were also going to apply for an all-Canadian route through the Crowsnest pass, which is the pass in southern British Columbia through the Rockies. When the Alberta Natural Gas Company came before the committee, they said they were going before the board of transport commissioners with five routes. Tonight the Prime Minister said that any applicant must go before the board of transport commissioners and say which route he wants. The Alberta Natural Gas Company representatives refused to take that position. They said, "We are not going to decide which route we want."

Mr. Stewart (Yorkton): How many routes did the Westcoast Transmission—

Mr. Green: Just wait a minute. They said, "We are not going to make that decision, we are going to the board of transport commissioners and say, here, we have five routes. We have one route that goes practically all the way through the United States. We have another route in which the main line goes all through Canada, and we have three more routes which cross the boundary two or three times." In effect they plan to say: "Now, we are not saying to you, Messrs. Commissioners, which route we want; that is for you to decide. Of course, you have no power to say where the route is to go in the United States, but you are the men who have to decide where this route is to go. We are not taking that responsibility." That was the absurd position taken by the Alberta Natural Gas Company.

Mr. St. Laurent: It may have been absurd, but if the hon. member were a member of the board of transport commissioners would he not say, "I cannot deal with that situation. You have to give me an application in which you have specified a route. You can file five applications with the attorney general and give me the five applications if you wish, and I shall deal with them one after another, but you cannot make an application in which there are three or four routes."

Mr. Smith (Calgary West): I suggested that, and I was laughed out of the committee.

Mr. Green: I have stated exactly what they said they were going to do. The reason they said that was this. They knew there was bitter opposition to the all-American route, and to get away from that opposition they brought in these other four routes and said, "We are not picking any one; we are putting that up to the board of transport commissioners." When they get to the board, what will they say? They will bring in all possible evidence to show that it is much cheaper and more reasonable to go by the route through the United States. They will put all their arguments behind the United States route. The action of this company is just a subterfuge. It shows that parliament must step in to meet that situation.

Further proof that they are just trying to deceive the committee and the house is this. The member for Edmonton West and the member for Vegreville quite naturally were very much concerned, because they thought the route should go through the Yellowhead pass. They raised some objection in the committee about the Alberta Natural Gas Company not having said anything about going through the Yellowhead pass. Mr. Dixon, who is president of this Alberta Natural Gas Company—

Mr. Applewhaite: Mr. Chairman, I rise to a point of order. I have no desire to be unduly technical, but I understand that, under the rules of the house, we are supposed to be debating the Alberta Natural Gas Company application on another occasion, and that now we are supposed to be debating the Prairie Transmission Lines bill.

The Deputy Chairman: The hon. member is quite right. We are discussing now the application of Prairie Transmission Lines Limited, and we are on the first clause of the bill. There has been a general discussion so far, and I understand that the hon. member for Vancouver-Quadra is using the name of the other company for purposes of comparison.

Mr. Green: When the Alberta Natural Gas Company was faced with this opposition from within the government party, there was a bit of scurrying around and consulting with the Minister of Trade and Commerce. Finally, Mr. Dixon got up and said, "I shall tell you what we will do. We will put in six routes to the board of transport commissioners; we will include the Yellowhead route." That satisfied the member for Edmonton West and the member for Vegreville, and they stopped making any further fight. It also showed the position being taken by these applicants.

When the Prairie Transmission Lines representatives came before the committee—they had been listening to what the other fellows said—they said the same thing. The committee was informed it was the intention of this company to apply for an American

route, to apply for an all-Canadian route, and the representatives said, "We are also quite willing and happy to apply for the Yellowhead route." Now they are going to apply for three routes.

The fact that there are two all-Canadian routes available cannot be questioned. There is one through the Yellowhead pass, and one through the Crowsnest pass. The British Columbia legislature went on record unanimously in favour of an all-Canadian route, preferably the Yellowhead route, for the understandable reason that the route through the Yellowhead provides an outlet for our great Peace river district to the north. The route through the Crowsnest just shuts that Peace river district off for generations. The British Columbia legislature therefore went on record as favouring the route through the Yellowhead pass.

These are facts which should not be ignored by this house. I suggest to the Prime Minister that he agree to have the sponsors of these two bills now before the house, if they are willing, agree to insert amendments in their charters providing that the main line must be laid in Canadian soil. At least an opportunity should be given to have that done. Then the bills should be referred back to the committee, where the necessary changes could be made. The Westcoast Transmission Company should also be put to the test, as to whether or not they are willing to have the same amendments made to their charter. If that is done everybody would be happy. I am sure that the people of British Columbia would be happy about it, because I have never known opinion in my province to be so strongly behind one side as it is behind the all-Canadian route. The members of this house should be satisfied, and the applicants for these charters should be satisfied. They would then all have a chance of competing with each other for the right to build this line in Canada. The gas that is left over can go to the United States with the blessing of all Canadians.

I do suggest that that is the course which should be followed. Those of us who oppose these bills have asked for no more than that from the start. On the other hand, if these applicants for charters are unwilling to have amendments made which will force them to build through Canada to the coast, then they do not deserve any consideration and the bills should be voted down. This question is of too great importance to the people of British Columbia. Further, it involves the "Canada first" principle for all our natural resources, not only oil and gas but also such products as iron ore. We can see what is happening. The Prime Minister made a speech this week in Granby, and told the people there about these wonderful resources of iron ore. What did he say? Unless he is incorrectly quoted, throughout his speech he praised the great opportunity there was for getting this iron ore down to the United States. Not one word has been said by him, or by the Minister of Trade and Commerce, about building more steel plants in Canada to use the maximum amount of iron ore. They are not even thinking along that line. All they are thinking about is getting this iron ore down into the United States. What are the Americans doing about it on the other hand? All you have to do is to read the press practically every day now, and you will find some leading American getting up before the committee in Washington which is considering the St. Lawrence waterway and arguing that they must have that waterway so they can get Canadian iron ore down to their steel ports on lake Ontario and lake Erie. They say, "If we do not get the ore down there, it is going to go to the American east coast ports, steel plants are going to be built in Massachusetts and other New England states and our steel industry will move there." All of this development is based on Canadian iron ore. Yet here in Canada our own Prime Minister and our own Minister of Trade and Commerce—

Mr. Mitchell: Will my hon. friend permit a question?

Mr. Green: Just wait till I finish.

Mr. Mitchell: You are afraid; that is why you will not permit it.

Mr. Green: No. I am nearly finished.

The Deputy Chairman: Order.

Mr. Green: Here in Canada we have our own Prime Minister not giving one word of leadership to the Canadian people in the direction of—

Some hon. Members: Oh, oh.

The Deputy Chairman: Order. I am sorry to interrupt the hon. member, but I must say this. Although the discussion has been permitted to be quite general on pipe lines, I am afraid that it should not go into the field of iron ore and the general policy of the government.

Mr. Green: I will just say this in conclusion. Here we have the Prime Minister not giving the leadership that should be given in the direction of using these great resources in Canada to the maximum extent possible and thereby building this nation into one of the great nations of all time. There is an opportunity just being by-passed at the moment. What is proposed on the west coast

in connection with this gas line is a perfect illustration of the failure to give Canada the right kind of leadership.

Mr. Stewart (Yorkton): We have only five minutes left to go before nine o'clock but possibly in view of the fact that the hon. member for Vancouver-Quadra would not permit certain questions of mine to be answered, he may have to face in that five minutes "Canada first". We are astounded in this house to hear these statements from a member of this house who is much older than most of us—

Mr. Green: No, not older.

Mr. Stewart (Yorkton): Much older in the house. If you are blushing about your age, do not apologize for it. The hon. member for Vancouver-Quadra has repeated this "Canada first" cry.

Mr. Green: And I am going to keep on doing it.

Mr. Stewart (Yorkton): Yes; you even repeated the medals that the member who is sponsoring this bill, the hon. member for Fraser Valley, won in the war.

An hon. Member: Shame.

Some hon. Members: Oh, oh.

Mr. Stewart (Yorkton): The Prime Minister of this country made a plain statement when this debate opened.

Mr. Cruickshank: Mr. Chairman, I do not think I quite understood my friend. Am I sponsoring this bill?

An hon. Member: You voted for it.

Mr. Stewart (Yorkton): You are the sponsor of the initial bill that passed this house under the original bill.

Mr. Cruickshank: You said that I was sponsoring this bill.

The Deputy Chairman: Order. Will the hon. member for Yorkton and the hon. member for Fraser Valley please resume their seats. I should like all hon. members, when they take the floor, to address themselves to the Chair. As for the hon. member for Fraser Valley, unless he wants to raise a point of order—

Mr. Cruickshank: On a point of order, Mr. Chairman, the hon. member said that I was sponsoring this bill. I know that he has made several irresponsible statements in this house; but to accuse me of sponsoring this bill is beyond reason.

Mr. Stewart (Yorkton): I will attend to the hon. gentleman who has just spoken, Mr. Chairman. The hon. member for Fraser Valley has been in this house for quite a long time.

Mr. Cruickshank: And will be for a long time.

Mr. Stewart (Yorkton): You think so; but I doubt it, Fraser Valley, knowing you.

The Deputy Chairman: Order. I should think that this question is in the public interest and should be discussed at a much higher level than is being done.

Mr. Stewart (Yorkton): The level that I intend to take is "Canada first". That is the level that the hon. member for Vancouver-Quadra has tried to stress in the committee. That is the level that his own leader stressed in the house when, for instance, he mentioned Sarnia, and the fact that they now had a chemical works in Sarnia, built by the Americans, as a matter of fact, and you would not have a chemical works at Sarnia if it had not been supplied with oil by the United States. This "Canada first" policy is all right. We in western Canada would not have the market we have for our western Canada if it was not for trading with the United States.

Mr. Smith (Calgary West): What about the embargo?

Mr. Stewart (Yorkton): Just a minute. If you Conservatives keep the flag waving that you have waved since 1911—

Mr. Smith (Calgary West): You waved it for a long time.

Mr. Stewart (Yorkton): All right. You did not wave it.

The Deputy Chairman: Order.

Mr. Stewart (Yorkton): You went there and waved the flag; because you did not get there—

Mr. Smith (Calgary West): I had left.

Mr. Stewart (Yorkton): But you waved a lot of flags in this house. You waved a lot of flags at the individuals behind you. We are speaking about a national problem. The statement has been made about a "Canada first" policy. I do not think there is a member in this committee sitting on any side of the chamber who is not in favour of a "Canada first" policy. But you have heard the statement of the Prime Minister in connection with this bill. The original bill passed by the House of Commons when some of us were not here was passed by the hon. member for Vancouver-Quadra, by the hon. member for Calgary West and by the hon. member for Fraser Valley.

Mr. Cruickshank: Hear, hear.

Mr. Stewart (Yorkton): And under that very act the hon. member for Fraser Valley introduced the first private bill.

The Deputy Chairman: Order. It is nine o'clock.

Section stands.

Progress reported.

The Acting Speaker (Mr. Beaudoin): It being nine o'clock, the house will resume the business that was interrupted at six o'clock.

SUPPLY

The house in committee of supply, Mr. Beaudoin in the chair.

DEPARTMENT OF TRANSPORT

459. Departmental administration, $1,012,455.

Mr. Chevrier: The hon. member for Vancouver-Quadra asked me earlier this afternoon for a statement on the results of shipping and shipbuilding policy. At short notice it is of course impossible for me to make a comprehensive statement at this time, but I can give him a few facts.

Canadian shipping policy was stated to this house by the Prime Minister on December 9 last. It is not necessary for me to give the reasons for such policy, as they were very fully stated at the time.

Mr. Green: We cannot hear.

Mr. Chevrier: In passing, however, I might remind the house that the Canadian costs of operation are about double British costs, and in order to maintain the Canadian shipping industry it was decided to permit owners to transfer to United Kingdom flag, and to subsidize not more than forty Canadian flag ocean-going vessels at a cost of not more than $3 million.

At the time of such statement there were 174 Canadian owned ocean-going vessels. Two were sold since that date and the proceeds deposited in escrow pursuant to the replacement plan, leaving 172 ships. Transfers to United Kingdom flag have been approved in respect of 93 ships, and transfers in respect of 23 ships are still pending.

Payment of subsidies are of course subject to vote of parliament, and the sum of $3 million has been included in the current estimates of the Canadian maritime commission for that purpose. Subject to such vote the Canadian maritime commission has approved subsidies in respect of 31 vessels and nine subsidy applications are still pending. Applications for subsidy in respect of 16 vessels have been declined on the ground that the applicant vessels do not employ Canadian crews.

[Mr. Cruickshank.]

Mr. Green: Can the minister file a list of the vessels for which subsidy has been granted?

Mr. Chevrier: Yes, I can eventually, but I cannot do it immediately. It will take some time to get the list, because they are in course of being dealt with from day to day.

Prior to the coming into effect of the shipping policy there were forty Canadian vessels laid up for lack of employment. Today there are only twelve laid up, and I have no doubt that these will move shortly when employment offers.

I do not propose to comment upon the results of the shipping policy except to say that to my knowledge a number of Canadian shipowners have expressed themselves as being more than satisfied with such policy as being the only reasonable method whereby the shipping industry may be kept alive in Canada.

In so far as the shipbuilding and ship repair industries are concerned, there are at the moment about 9,000 men employed in Canadian yards. In its annual report last year the Canadian maritime commission stated that it would be necessary to maintain employment at a level of not less than 7,000 men in order to preserve the industry.

It is difficult for me to state what effect the Canadian Vessel Construction Assistance Act has had upon shipbuilding generally. It is impossible for anyone to say that any particular ship owner has commenced building because of the provisions of that act. I think it may be sufficient for me to state that at the present time shipbuilding orders totalling more than $67 million are in preparation or under construction in Canadian shipyards.

Mr. Higgins: Mr. Chairman, after the discussion of the last hour I wish to devote a short time to a matter which, I am sure, will be regarded as non-controversial, and it probably will receive the same support it received some three or four months ago when I spoke on this subject. I refer to the establishment of a Canadian coastguard.

I am certain this subject is of interest not only to my part of the country but, indeed, to every section of Canada; and I say that because the few words I delivered at the last session on the subject were of such a character that everyone in the house read them—they must have, because I heard so many comments from people who did not read them.

I hope hon. members will excuse my early return to this subject because of what is happening in connection with the coastguard. It is very difficult for hon. members to realize, in view of the size of Canada, the extent of our coast line. Canada is the third largest

country in the world, and it has the greatest coast line of any country. By "coast line" I mean of course not only the sea coast, but the coast lines of the great lakes. Nova Scotia, New Brunswick, Quebec and British Columbia are bordered by the sea.

An hon. Member: Manitoba.

Mr. Higgins: Manitoba? Probably so. Then, Prince Edward Island and Newfoundland are islands in the Atlantic. Ontario is bounded by the great lakes in the south and by Hudson bay and James bay in the north. It has a very extensive coast line. In fact, to my knowledge—not from personal knowledge, but from reading—the only provinces which have no coast line are Alberta and Saskatchewan.

Very obviously therefore there is necessity for a coastguard for a country like Canada. If this pipe line is built other than in Canada I would not be surprised if we were to need a pipe line guard for the pipe line. As all hon. members will recollect, there is over the doorway of the parliament buildings the inscription, "From Sea to Sea". In other words, Canada is a great maritime nation and, in keeping with the traditions of maritime nations, it should have a coastguard.

The understanding I gained at the last session from statements made by the Minister of Transport was that a coastguard service would be entirely too expensive and out of line with the duty it would perform. It must be obvious that such a statement is ridiculous. I say that in all honesty and without knowing the extent to which the minister has gone into the matter.

One thing we must remember is that a coastguard is a service for the saving of life; and when the saving of life and the saving of dollars are matters under consideration, there should be no alternative. I think all hon. members will agree with that, particularly when we see the tremendous expenditures being made every day for services not nearly as important as the coastguard.

As all hon. members know, the present coastguard service is being carried on by the marine section of the Royal Canadian Mounted Police. As I said some months ago—and I say it honestly, as I am sure all hon. members will—there can be no question as to the reliability and the wonderful record of that great force. We have to remember, however, that this is a question of a sea force, and is not and should not be part of the job of the police force.

All hon. members are aware of the United States coastguard. In peacetime it operates under the treasury, and in wartime under the navy. As an adjunct to the navy it is of course very important, and plays a great part in time of war. I do not need to go into the question of what they did in the last war. Hon. members will recall the stories of submarine landings, or attempted landings in the United States, and the handling of them by the coastguard.

The suggestion of a Canadian coastguard has been mooted for many years. Back in the days of the Bovey commission they recommended that a committee be set up by the government to consider that matter. Since that time organizations throughout the country have requested the establishment of such a service.

The last time this matter was before the house was March 22, 1950, when, as reported at page 999, the hon. member for Queens-Shelburne directed this question to the minister:

1. Have any steps been taken towards setting up a joint committee representing the departments of fisheries, transport, and national defence, for the purpose of unifying and improving the coastal protection service?

2. If so, has such a committee been set up?

3. Has the committee been instructed to investigate improvements in the protective service for fishermen?

4. If so, will consideration be given to the provision of a radio-equipped and all-weather sea rescue and emergency towing service for small fishing craft?

5. When will the recommendations of this committee be made known, and when will action be taken to implement such recommendations?

The answer given by the minister was that such a committee had been set up. I understand it has been established for over a year now.

An interdepartmental committee has been set up to review the present arrangements for search and rescue and to make recommendations for improved and more efficient service.

The search and rescue is intended to cover all seafarers operating off the Canadian coasts.

The terms of reference of this committee quoted in part 2 above are sufficiently embracing to cover this consideration.

The recommendations of this committee will shortly be available when the action required to implement them will be considered.

That was a fair question to which a fair answer was made, but I wonder how long "shortly" is in the minds of the government. The committee has been at work now for almost a year and on March 22 it was stated the report was to be released shortly. If the minister cares to reply I hope he will tell us how long "shortly" is in the minds of the government.

On behalf of the newest province I ask the minister to consider, apart altogether from whatever the recommendations of the committee may be, the setting up of a coastguard service based somewhat on the United States

coastguard service. Newfoundland has a coast line 6,000 miles long which is very rough in places and subject to nasty weather at times. There are sections in which there are very few harbours, and that creates dangerous conditions. The fleet which goes to the Grand Banks now faces serious competition from European trawlers who have increased tremendously and are encroaching on the grounds of our fishermen. There have been a number of incidents such as the cutting of a man's trawl and others which go to the extent of endangering the safety of our own fishermen.

Labrador is becoming of paramount importance to the economy of Canada mainly because of the iron ore deposits in the interior and the Goose airport. It also has a difficult coast line and this matter should receive serious consideration. This matter has been discussed on many occasions, but I think it has come home to us more forcibly in recent years. I conclude by reading from a resolution of the dominion council of naval officers of Canada passed last summer at Halifax which reads:

> It is not in accord with national dignity to be repeatedly obligated to the United States coastguard.

Those are my sentiments in this matter. It is time that Canada realized it was a maritime nation and we should lean less on Uncle Sam in connection with matters maritime.

Mr. Pearkes: Mr. Chairman—

Mr. Chevrier: I do not want to interrupt the speech of the hon. member on the question of air rescue or coastguard services. There was a fairly lengthy debate on my estimates last year, in fact only a few months ago, concerning this matter which is of keen importance to several hon. members in the house. I indicated at the time that the matter was under study by an interdepartmental committee composed of representatives from several departments. Apart from my own department, there were representatives from finance, Canadian maritime commission, and mines and technical surveys, fisheries, defence—army, navy and air force—and one or two other departments, but unfortunately I have to say that that committee has not been able to report as yet.

The hon. member for St. John's East asks how long is "shortly". Unfortunately it is not possible to do things as quickly as ministers, members of committees and quite often members of the house would like to see them done. I think hon. members will realize that there has not been a great deal of time between last session and the present to deal with this and many other matters that have had to receive the attention of the government. I am just as regretful at the fact that the committee has not been able to report as are those hon. members who are particularly interested in the subject of air rescue operations.

I indicated at the time that I hoped the committee would be able to make some recommendations that would co-ordinate and unify the services on our coast. My recollection is that the hon. member for Nanaimo made a valuable and helpful contribution to the debate. I do not want to be committed again by saying that the report will be brought down shortly, but I am advised by the chairman of that committee with whom I have discussed the matter that it is expected the committee will report very soon.

After the committee reports it will take some time to consider the recommendations, first from the point of view of the department, and then it is likely the matters will have to receive additional authorization if the recommendations are accepted. I thought I should make that statement at this juncture to avoid any debate. However, this is a general item and if hon. members wish to repeat what they said last year I am sure there is nothing I can do to stop them. But I do say that unfortunately there is no report that I can give to the committee at this time.

Mr. Pearkes: I do not wish to initiate a debate on this subject because I have spoken before. However, I should like to repeat what I said, that I believe we should proceed step by step to co-ordinate the various agencies we have at the present time which are working in this direction. I should like to stress that there is a degree of urgency at the present time because it has been announced by the Secretary of State for External Affairs that a treaty with Japan may be signed in the not too distant future. There will then be the possibility of Japanese fishing fleets coming to our west coast waters and there will be need for greater protection of our own British Columbia fishermen. I shall not say any more than that.

Can the minister give us some idea as to how far the recommendations of the Kellock commission are going to be implemented? About two weeks ago he said that we would soon have an opportunity to know how the new regulations would fit into the recommendations made by that commission appointed to investigate the *Noronic* disaster. Various statements have been published in the press on the west coast which would indicate that rather strict regulations are going to be applied. These will have a distinct bearing on those people who live on islands. As a matter of fact a great many of my constituents live

on islands. Many of them are entirely dependent upon steamship service to move from one place to another and to receive all their supplies. Many of the steamships in this service have been in commission for a great many years. They are old vessels and if they have to add heavy new appliances it may be it will force some of them out of commission. They will be taken off the service with disastrous results to the people who are living on small islands in the strait of Georgia and also on Vancouver island.

I should like to point out that not only do Canadian vessels serve these people but also vessels under the United States flag which carry passengers and freight between these islands and the mainland. If our Canadian vessels were forced out of service by too stringent regulations then there would be an increase in the United States trade to the detriment of the Canadian service. I should like to have some explanation as to how far these regulations are going to be carried. I believe there is an escape clause. I do not know whether it will be helpful, but I have one suggestion to make. One of the greatest causes of fire at sea is the innumerable coats of paint which are put on vessels. Coat after coat of paint is placed on the sides and in the holds. I suggest there should be a regulation that there should never be more than four coats of paint on a vessel, and if there are any more they should be required to scrape them right off. Possibly the suggestion should be worthy of consideration because I know that an excessive number of coats of paint is one of the main causes of fire at sea.

Mr. Chevrier: I do not think the hon. member for Nanaimo need fear too greatly that ships will be taken out of operation because of the regulations. I am not saying that such will not be the case but I know of no such case at the moment. Some weeks ago I made a statement in the house shortly after the new regulations had been gazetted. I do not think the hon. member would want me to repeat it because he saw it. Generally speaking, perhaps I might say that it is the intention by the enactment of the steamship regulations appearing in the *Canada Gazette* to implement the recommendations of the Kellock commission so far as it is reasonably possible to do so.

In order to do that it was thought that if the safety of life at sea convention, which was approved by many nations at London and which I hope will be introduced this session as amendments to the Canada Shipping Act, could be implemented in regulations, we would be going a long distance in carrying out the recommendations of the Kellock report. We have tried to do that in the regulations that have been enacted. Of course they are far more stringent and far more difficult of application that those in effect before the disastrous *Noronic* fire, so much so that there has been some objection on the part of operators. However, after they made their representations to Ottawa I believe they came to the conclusion that the regulations we were making were not on the whole unfair. Certainly they came to the conclusion that they would do everything they could to abide by them, and I already have the assurance that that is being done by a large number of corporations.

There are cases—and I presume it is one of these my hon. friend has in mind—where ships are providing a service of convenience to the public, and if they had to follow all the regulations it might well be they would be put out of commission entirely. I think that the steamship inspectors will use some judgment in that regard because it is not the intention to discontinue any service which is required for the public unless, of course, there is a refusal on the part of the owner to comply with those of the regulations which appear to our inspectors to be fair and reasonable.

I want to say one word about the escape clause to which the hon. member referred. The escape clause was naturally put in there because we realize that it is impossible to meet all these regulations for the coming season. Some companies can meet some of them; others can meet all of them. I know of one company that has met practically all of them except one or two that it could not implement before the opening of navigation, but there are other ships that have few or none of these appliances. The object of the escape clause was to give the steamship inspection board some discretion in the application of the regulations. I repeat that at the moment I know of no steamship service that has been put out of operation because of the regulations. I would not want the committee to feel, however, that it is not the intention to put them into force. It is very much the intention to implement them, and if not fully this season at least by the time ships are put into commission next year.

Mr. Pearkes: There will be a reasonable length of time allowed? I am concerned primarily with small companies servicing the smaller islands in the strait of Georgia. There will be a reasonable length of time?

Mr. Chevrier: Yes, surely.

Mr. MacInnis: I would hope that we would not press the minister too hard not to enforce these regulations. If a disaster occurred in connection with the type of boat that plies between these islands and other points on the west coast it would not be of the same

magnitude as the *Noronic* tragedy. Nevertheless it would be a disaster and the first thing that would be asked would be whether the regulations were in force. The minister would be justly subject to criticism if, after the tragic warning we have had, he allowed ships that carry passengers to continue in service without complying with the necessary safety regulations.

I agree with the hon. member for Nanaimo that a certain amount of time should be allowed; but the companies or individuals operating these ships should at least indicate by this time that they are taking steps to comply with the regulations. If the minister finds any attempt to evade those regulations he will be derelict in his duty unless he sees that they are complied with. There is no use having regulations and then permitting marine inspectors or others whose duty it is to enforce them to neglect that duty. If it is necessary to provide a service to any of those islands, and that service cannot be provided without endangering the lives of passengers and crew, then this government should provide the service and safeguard the lives of the people who want to travel to those islands.

I should hope that we would not on the one hand criticize the ministers for such disasters as happened last year in Toronto, and then say now that there is danger you may put some boats out of business if you enforce regulations considered necessary for the safety of those who use those boats. I want to be absolutely fair with the minister. As long as the regulations are not beyond what is required, I hope he will see to it that they are enforced.

Mr. Drew: There is one point in regard to the regulations governing shipping that I think it would be appropriate to mention here, in view of the fact that subsequently we will be considering this matter in more detail. As I understand, the regulations that have been drafted require the provision of certain water facilities at points where passenger ships of a certain size and type will be docking, so that in event of a fire water will be available for the fire hoses. The point I should like to place before the minister for consideration is that it is necessary to do something more than merely assure adequate supplies of water for fire hoses when ships are in port. In certain famous cases ships have capsized at the dock because water was poured into them without some measure of control and supervision by those who understood the particular job of putting out fires in ships. I understand, for instance, that in the case of the *Normandie,* which caught fire when in dock in New York, actually it was the excessive load of water

that capsized it rather than anything directly connected with the fire itself. I believe the same thing happened in a very disastrous fire that occurred in a passenger ship at Chicago, and there have been a number of other cases.

It does not require very much imagination to see what might happen if enormous quantities of water were poured into a ship without an understanding of the difficulties that might arise. I am raising this question because it has been brought to my attention; and I merely place it before the minister at this time so that if it does call for consideration he will have an opportunity of going into it in some detail before we deal with the act itself.

Mr. Chevrier: I thank the leader of the opposition for his suggestion. I do not know whether he has had an opportunity of looking at the regulations, but they are divided into a series of clauses which provide first and foremost for fire-resisting bulkheads. That is really the thing that protects the ship more than anything else. They also provide for the installation of a sprinkler system. If all ships had been provided with steel, fire-resisting bulkheads, plus sprinkler systems, I think we would have gone a long way in avoiding those tragedies that have occurred. The regulations also provide for public address systems, automatic fire alarm systems, patrol musters and so on.

While I am on my feet I want to say I am grateful to the hon. member for Vancouver East for the attitude he has adopted. One must not forget that these regulations are difficult to apply. It is one thing to make regulations; it is another thing to apply them. It is when you start to apply them that you have all sorts of people say, "Oh, don't touch me; you'll put me out of business," or, "Don't touch me; these people on the east coast or the west coast won't have the service." For that reason I welcome the views of the hon. gentleman, because they recognize the difficulties of trying to administer such regulations.

That applies, of course, to existing ships, not to ships that may be built in the future. New ships certainly will comply with the regulations, and most new ships are built in such a way that it is not necessary to even think of applying them. The difficulty arises in connection with the ships already in existence, which in the past have been exempt from all new regulations. Now we are trying to apply new regulations to those ships, and that is where the difficulty of application comes in.

Mr. McLure: I know I would be misunderstood by the minister if I did not have something to say in reference to transportation.

However, dealing with the last matter that was discussed, that is the regulations concerning safety devices for boats, I might just point out that if these regulations were put into effect within the next ten days we would have no water communication between Prince Edward Island and the mainland. The only way we would be able to get across would be by air. So when these regulations are put into effect these boats, two of which belong to the government while the others belong to private concerns, will have to be given sufficient time to comply with them.

If I had been the first speaker on this item I would have offered a suggestion to the minister, and I think I will offer it even now. It is this. When a minister has his deputies and assistants sitting before him on the floor of the house, I believe the first thing he should do is introduce those gentlemen to the committee, so that we would know who they are. All they would have to do would be to take their bow after being introduced. I think the hon. minister should do that, so that we will know the gentlemen who are before us.

As I said a moment ago, transportation is one of the problems in which the province of Prince Edward Island is most interested. We are therefore interested in all the transport items under the minister. I see that for the year 1951 the estimates are higher by $6 million than for last year. No doubt this can be blamed on the tenth province, Newfoundland. However, that province has the right to a fair share, and this increase is allowable if the $6 million is going to be spent to improve transportation conditions in the new province of Newfoundland.

I notice that there is still that old blank cheque in the departmental estimates this year, amounting to $10,116,752, for temporary assistance. I have brought it to the attention of the house for the last four or five years, and I am pleased to note that this year the department lists the number of permanent positions in each department, as well as the number of temporaries. In the past we were never given any idea of the number of temporary assistants. In that connection an unfortunate thing arises in the estimates, in that another new class has been put in termed "casuals". I never noticed it before. I did not know the meaning of the word "casuals" so I looked up the dictionary and found that one of the meanings is "happy-go-luckies". It seems to me that is a suitable term for this item of "casuals", covering a period after an election year. Surely some breakdown should be given of that item because it is considerable. It amounts to $2,445,227 for this new form of employees called "happy-go-luckies". We are called upon to give another blank cheque for over two and a half per cent of the total vote. I know the minister will explain that when he replies.

On April 20 a question was asked by the member for Prince about the dual ferry system, or as it is called the shuttle service, during the tourist season. I was astonished at the reply given by the minister. After granting the request for this shuttle system for a couple of months, he stated:

—I am instructing the Canadian National Railways to maintain records to establish the net financial results of the operation of the second ferry this year, and if the operating costs are not offset by additional revenues it is distinctly understood that the double service will not be authorized in 1951.

The minister has no right to make a statement of that kind. If he were to read the terms of confederation under which Prince Edward Island went into this union in 1873, he would find that the government is bound to give us that service. Neither he nor any other minister can say that if the service does not pay it will not be continued. The same thing could be said about the car ferry, yet the government of the dominion and the government of Prince Edward Island in 1873 pledged themselves to give that transportation service. As I have said many times on the floor of this house, there never has been a full implementation of those terms of confederation. The only attempt at implementation was the establishment of the car ferry operating between Borden and Tormentine by the government of R. L. Borden. When I hear the minister making statements of this type, that a second car ferry will not be operated in 1951 if it does not prove to be a paying proposition, I can tell him right now that if he tries to live up to that statement he will be subjected to a barrage that will make him think a second time before he makes such a statement.

I want to say this, and it has been said many times before, that men are on record with regard to our transportation question. I have an article here in which the Hon. Charles A. Dunning, while he was minister of railways and also representative of Queens county, made a statement at a public meeting in Charlottetown. He said this:

The only proper and satisfactory solution to give this island the service it is entitled to according to the terms of confederation of 1873 is an auxiliary service.

That means two boats. Remember this service cannot appear against us as a deficit as it now does, but I shall deal with that later. This article continues:

It is the essence of the Canadian partnership that the ferry rates as well as the service to and from the

province should be such as to relieve it, in so far as possible, of the disadvantages of its island position. Anything short of this makes for insularity.

The minister said, in his reply to the member for Prince, that he is instructing the Canadian National Railways. Instructions should be given to the Canadian National Railways, who are the subcontractors in this case just as they are the subcontractors in operating the *Abegweit*, that they are to give us the service not to yield a profit but to fulfil the terms of union. That service can be nothing less than a daily service, satisfactory to the province, and it should be supplied at the lowest possible cost, not to exceed the cost of operating this ferry as a bridge.

In addition to that, according to the terms of confederation, we are entitled to free transportation for all our products. We have not fought for it, but we will never be satisfied, nor will the province of Prince Edward Island have the terms of confederation fulfilled, until there is a government in power that will live up to those obligations. Year after year when these estimates are being passed, one finds a reference to a deficit in the operation of the ferry system.

I have spoken about this time and time again on previous occasions. It is not a deficit. It may be a deficit to government operation, but let us contrast it with the canals in Ontario and in Quebec. How much money is spent annually on canals? This year I think for the operating of the canals there is provided the sum of $8 million. How much profit do those canals bring in to the government? I understand there is no charge whatsoever for freight moving on those canals. I am not urging that there should be. But it is a service that the government of the Dominion of Canada promised and they are carrying it out in this respect.

Yet when it comes to the province of Prince Edward Island, what do they do? As to the car ferry, we never see a statement showing whether it is a loss or a profit. We are obliged to take the word of the subcontractors. That deficit stands out like a sore thumb. It should be put in there, just the same as is done with reference to canals; it should go in there as a ferry service and not as a deficit; it looks to the rest of the provinces as if Prince Edward Island was getting a hand-out year by year on this deficit.

I am not going to labour this point much further. I still hope that some of these men in the offices, if the minister refuses to take it up himself, will see that it is a service and that the deficit can be charged back to the consolidated revenue fund, as it should be, the same as the deficit on the canals and canal systems.

I might also mention that we have every proof to show that our province has been discriminated against by all the different provinces. As we come along to the different items, I am going to deal with some of those then. At the present time I just wish to bring this matter to the attention of the minister, and I hope he will give my request some favourable consideration. I hope he will be able to see the difference between a deficit and a service.

Mr. Wright: Before this general item is carried, I should like to bring to the attention of the Minister of Transport one item which comes under his jurisdiction, namely the matter of the extension of certain C.N.R. lines in northeastern Saskatchewan. The lines that I particularly refer to are the C.N.R. lines from Saskatoon through Melfort to Carrot River and the C.N.R. line from Canora through Sturgis to Arborfield. Those two lines were built back in the period after the first war, between 1923 and 1926. At that time it was expected that the lines would be extended through to The Pas in Manitoba to connect up with the Hudson Bay railway at that point. It is some twenty-five to twenty-seven years since those lines were built. Today they still end at the same point as when they were first built; that is at Carrot River and Arborfield.

Today the settlement has extended out from those two points for some thirty or forty miles, and today they are two of the heaviest delivery points for grain in the province of Saskatchewan. Last year at both of these points approximately one and a quarter million bushels of wheat were delivered. As the minister will see, a great deal of this grain must be delivered from long distances. As a matter of fact the settlement now extends for some thirty or forty miles in a fanshape northeasterly from those two points and the settlement now has spread out so that it extends to about the economical distance from which grain can be hauled to any delivery point. The settlement will stop where it now is until these two lines are extended.

There are two good reasons why these lines should be extended at this time. Northeast of Carrot River there has been a large settlement of returned men established on co-operative farms. There are some seven to ten of these co-operative farms, with ten to twelve settlers and their families on each farm. Some 30,000 acres are being brought under cultivation there. These men in delivering their grain

have to haul it a distance of from twenty-five to thirty-five miles to their nearest delivery point.

There is also in the province of Saskatchewan a tremendous demand for new land to which could be moved settlers from the dried-out areas who have for a great many years been receiving assistance under the Prairie Farm Assistance Act. This is one of the only areas left in Saskatchewan of good land to which these settlers can be moved.

I have here a report of a speech made by Mr. L. B. Thomson, P.F.R.A. director. This speech was made at the 45th annual convention of the Saskatchewan association of rural municipalities. In it, in speaking of this development in the northeastern part of Carrot River, he stated:

"This development I regard as one of the most important; it will add greatly to the resettlement needs of Saskatchewan," Mr. Thomson said. The reclamation could be undertaken at a low cost per acre, according to the surveys now completed, he stated.

Mr. Thomson reviewed rehabilitation activities in Saskatchewan since 1935, and particularly since establishment of P.F.R.A. in 1938. There were still "hundreds of farmers" requiring resettlement and rehabilitation assistance, for all that had been done, he stressed.

Mr. Thomson has stated that in this area there are approximately one million acres of new land that can be brought under cultivation; but this land will not be brought under cultivation unless these railway lines are extended to the point where transportation will be available to new settlers.

I would urge the minister to take this matter up with the Canadian National Railways officials, if it is they who are responsible for the extension of these lines, and have something done in the near future. Here we have some of the most valuable land in western Canada lying idle simply because of lack of transportation which could be provided by the spending of a few million dollars for the extension of these lines through to The Pas in Manitoba, which would make it possible for this land to be brought under cultivation.

It would save the government money, through being able to re-establish in that area hundreds of families from the dried-out area in the southern part of the province to whom at present they are having to pay P.F.A.A. assistance practically every year. It is estimated by the prairie farm rehabilitation people that there are in the southeastern part of Saskatchewan approximately 4,000 families who need to be re-established. Here we have the land available. It is good land, land on which there has never been a crop failure; it is some of the most productive land there is anywhere in western Canada. As a matter of fact, over the past twenty-five years the average crop yield in this area has been, in many cases, thirty bushels to the acre of wheat. It seems a waste to see this land lying idle simply because of the failure of the Canadian National Railways to extend these branch lines through to their logical point at The Pas in Manitoba. I would urge the minister to give consideration to this matter.

Mr. Chevrier: I am glad to have the hon. member's representations with reference to these two branch lines. I have not had an opportunity of discussing fully the branch lines program of the Canadian National Railways this year. I am afraid however that it will not be any more extensive than it was last year. When I make that statement I have in mind a statement made by the president of the Canadian National Railways before the committee on railways and shipping—or perhaps it was before the royal commission on transportation, I am not sure. In any event I shall be glad to bring these lines to the attention of the Canadian National Railways.

Mr. Wright: Who is responsible for the extension of those lines? Does the government make the decision, or do the Canadian National Railways themselves make the decision?

Mr. Chevrier: The Canadian National Railways must first of all submit the extension to the government. The reasons for submitting the extensions I have placed on *Hansard* on more than one occasion. First they must have some guarantee that there will be favourable returns from the operation. Next there must be some assurance that because of the density of the area to be served, natural resources and the like, there is the possibility of profitable operation and, finally, if it is a railway which is exclusively built for the development of natural resources, and one which is not their concern at all, they will so indicate to us and we will have to decide for ourselves whether it should be built or not. But in all of these lines—and I am referring of course to lines of the Canadian National Railways—it has been the practice to get the opinion of the railways as to whether they should be advanced.

Mr. Hatfield: Has anything been done to relieve the Canadian National Railways from operating the Portland, Maine, division, and the terminal at Portland, Maine? This division and the terminal have lost money every year, and I understand they are

still losing money. The railways own valuable property on the waterfront at Portland. They have eight or ten long freight sheds, which are not kept in repair. Why would it not be a good idea to get rid of this Portland, Maine, terminal? It is taking business away from Saint John and Halifax, and is being maintained at a loss to the taxpayers of Canada.

Mr. Chevrier: I am afraid if I were to go into the reasons in answer to the question the hon. member has brought up, we would get far afield. As the hon. member knows, there is a committee which deals with the affairs of the Canadian National Railways. Officers are brought before that committee for the very purpose of giving this information. I have not those officers before me, and neither have I that information. However, it was available before the committee. I do not know whether the hon. member asked for it, but it seems to me there was some discussion at that time on the Portland, Maine, interests of the Canadian National Railways. I hope my hon. friend will not insist upon an answer, because we could go on indefinitely in a discussion of that matter.

Mr. Hatfield: I asked the question in committee. Mr. Dingle said that we have had some offers for these sheds. I believe to date nothing concrete has developed. Mr. Donald Gordon said he would take my suggestion under advisement. However, this has been going on for years. They have been losing all kinds of money in the operation of that terminal. Why should the taxpayers of Canada pay for this loss, when it is only taking away freight which could go to the maritime ports of Saint John and Halifax?

Mr. Quelch: I should like to say a few words regarding branch lines, because I believe I have more unfinished branch lines in my constituency than there are probably in any other constituency. It is easy to understand why that is so. It is due to the fact that this has been a drought area, and a great portion of the population have moved out.

For instance, there was the line built from Eyre to Acadia Valley. A train has run over that line once a week. The grade went on in a southwesterly direction from Acadia Valley, and I think it was headed toward Buffalo, but apparently it got lost on the way, because it ends in the middle of the prairie, and has never been completed.

Another line was built from Coronation to Youngstown. That line was completed, but no train has ever run over it. Now it is quite a job to find the track; it is all grown over.

[Mr. Hatfield.]

Then, a line was built from Unity to Bodo, and a train has run over that once a week. The survey was carried on from there to Bulwark through Airways, and there is a lot of interest in that line. The farmers were anxious that it should be built. Some work was done, but nothing more has been done for many years. We are hoping that that line will be completed, because there is a considerable quantity of stock in that area, and when the Red Deer diversion scheme is carried out the whole economic picture will change.

I suppose we will have to wait for any more work being done on that line until the Red Deer diversion program is gone ahead with. The line I wish to speak about particularly is that from Loverna to Scapa. That line was built in the twenties, and for one year trains ran right through. But there was a stretch of twenty-four miles from Spondin to Hemaruka, which was never ballasted. After the first year no more trains were run right through. The trains ran from Unity to Hemaruka, and then turned into Saskatchewan. The train continued to run from Scapa to Spondin, taking wheat out from the elevators. No trains have since then been run from Spondin to Hemaruka.

There has been a good deal of agitation to have that piece of line completed by way of ballasting. I have had communications in the past with Mr. Vaughan, and he stated it would cost about $600,000 to complete it. He said, however, there was not enough business to justify that expenditure, owing to the fact that the line was paralleled by the C.P.R. about eighteen miles to the north, and by the C.N.R. line to the south. He admitted at that time that if the Red Deer diversion scheme were put through there might be sufficient change in the economic picture to justify completing that line. That was the picture two or three years ago.

This spring, however, the C.N.R. made application to the board of transport commissioners to abandon the line from Spondin to Hemaruka, and I understand that permission was granted. The thing the farmers in that area are concerned about is this: What will be the freight rates from the towns east of Hemaruka on freight going west? In the past the practice has been that, in view of the fact that the C.N.R. did not run the trains west, and in view of the fact that the farmers at Hemaruka and east wanted to ship their stock to Calgary and to ship in coal from Drumheller, they were given the same freight rate as though the trains had actually run west to Scapa.

The C.N.R. only charged a freight rate on coal shipped in from Drumheller via Saskatchewan as if it had gone direct through Scapa. The same rate is charged on stock shipped to Calgary. Now there is the fear that, in view of the fact that the railway between Spondin and Hemaruka is to be abandoned, that preferred rate will no longer be allowed. Many petitions have been sent in asking that the preferential rate be adopted in the future. I took this matter up with the minister a few weeks ago and he said he would take it up with the railroad. Can he give the committee any information as to what will be the policy in regard to freight going west on this line?

Mr. Fair: I should like to support the plea made by the hon. member for Acadia as the people in the south of my constituency are interested in this same line and I have had many representations from them. Just across the river at the north of my constituency there are two other lines that have been referred to by many hon. members during the past number of years; I refer to the Hindville and Bonnyville route. Perhaps the minister can tell us something about that.

Mr. Chevrier: I am afraid I cannot make any more of a reply to the hon. member who has just taken his seat than I could to the hon. member for Melfort. When we were discussing the motion of the hon. member for Gaspe a few days ago I stated the reasons given by the Canadian National Railways for extensions or new construction. This will be found on page 1697 of *Hansard*. I have not had an opportunity of discussing fully with the president of the Canadian National Railways the branch lines program of the railroad for 1950, but I am afraid it will not be any more extensive than it was last year.

The hon. member for Acadia took up with me the question of freight rates arising out of the abandonment of the line he has mentioned. I have received no report as yet from the officials of the Canadian National Railways. When I do, I shall be glad to convey it to him.

Mr. Drew: This afternoon I made brief mention of a point which I think should be referred to in some detail before we pass on to the general items. This subject matter is embraced by later items in the estimates without being covered fully by any particular item. I refer to the fact that while the Canadian National Railways is under the Department of Transport, the Trans-Canada Air Lines, which is a fully-owned subsidiary of the Canadian National Railways, is under the Department of Trade and Commerce.

I submit that it is not just a question of which minister is going to be charged with such ministerial responsibility as is necessary in connection with either of these activities. I suggest that there are obvious and strong reasons why it is of the utmost importance that these activities now under the Department of Trade and Commerce—the Trans-Canada Air Lines—should also be brought under the Department of Transport.

Within a day or two we shall have before us for consideration amendments to the Aeronautics Act. I do not propose to discuss them now, but without bending the rules too severely I think I can say that they are intended to extend the activities, both of the board and of the minister who will be responsible for the administration of the act. Having said that, I can then explain what I have in mind by reference to the act as it now stands.

The substantial amendments to the Aeronautics Act which were introduced in 1944 were the subject of heated controversy. Those amendments made the air transport board much more than a semi-judicial board dealing with problems presented to it in connection with the granting of licences and so on. The amendments of 1944 to the Aeronautics Act made the air transport board an agency of the minister who would be charged with administering that act.

Many of the most important functions of the board are stated to be subject to the approval of the minister. Regulations and various things of that kind are all brought under ministerial or governmental supervision. Moreover, the board conducts investigations and surveys for the purpose of determining where routes will go and where developments will take place, and that again is subject to the direction of the minister. All this means that the minister charged with the administration of the Aeronautics Act is also charged with responsibility for investigations which will result in the development of new routes, the extension of air services and things of that kind. Without going into the details of the proposed amendments, they will widen rather than diminish that administrative responsibility.

I submit that when government policy, right or wrong, has been to have a chosen instrument operate the main air routes of Canada, it is wholly unsound to have that chosen instrument under one minister and have the administration of the Aeronautics Act and investigations and surveys and inquiries relating to the extension of services called for by that act in the hands of another minister.

Let us take what is perhaps the least important aspect of the problem which is raised by this unnecessary divorcing of

similar activities. It means that on the one hand you have of necessity experts in the department charged with the responsibility for Trans-Canada Air Lines dealing with their affairs—now the Department of Trade and Commerce—and you have on the other hand of necessity experts in aviation and in the practical problems of aviation carrying out duties assigned to the Department of Transport under the Aeronautics Act. That in itself is a wasteful separation of services which could much more effectively and much more economically be brought together.

Then again you have the situation where the extension of branch lines of the Trans-Canada Air Lines is determined at the present time by the Minister of Trade and Commerce, with whatever approval is required from the government. On the other hand, under the Aeronautics Act the Minister of Transport is charged with the responsibility for conducting surveys, inquiries and other investigations which might lead to the extension of routes. Again, Mr. Chairman, without going into the details of the amending act, the responsibility of the Minister of Transport under the Aeronautics Act is now and will still more be, assuming that the amending act comes into effect, to reach out beyond the boundaries of Canada and seek arrangements under which air routes may be established for the chosen instrument and presumably for other air services as well. It seems to me this is unbusinesslike, wasteful of money and separates groups of experts who obviously should be brought together within one department so that their combined skill may be serving the one purpose of advancing aviation in Canada in every way possible.

Having said that, I am bringing this up in the discussion of the opening item of the estimates of the department because I still most earnestly ask the government to give consideration to the suggestion that the Minister of Transport should be the minister designated to supervise the activities of Trans-Canada Air Lines. I urge that this decision should be made before we reach the point in the estimates where we are discussing details of civil aviation and the Aeronautics Act, and that we should also have the decision made before we are called upon to discuss the amendments to the Aeronautics Act which will have a very great bearing on this subject. If we as Canadians had every reason to be satisfied with our position in the field of civil aviation today it might well be said that no convincing argument was put forward why we should be looking for any change in administrative arrangements or other details of that kind. But, Mr. Chairman, in the interests of the future of aviation in this country and the future of our air services extended beyond our own bounds, I think we should approach the problem with the knowledge that we have not succeeded as we should have in extending Canadian air services throughout the world in the years since the war.

I think it is time for us to face the situation frankly. We ended the war with the greatest pool of trained pilots, aircrew and ground personnel per capita of any nation in the world. I think history clearly demonstrates that there is something about the very type of country in which we live, the very kind of people that we are, which gives to Canadians some special skill in this great new field of transportation. In the infancy of aviation in the first world war Canadian pilots, some of whom are sitting in this house as members of parliament, demonstrated qualities not only equal but superior to any found in active service in that war. It was from among the young veterans of that war that our great bush air service developed which was an inspiration to the whole world in what could be done by the energy and vision of courageous young men.

Canada reached great heights in aviation in the years before the second world war. Today Canadians sometimes forget that, simply on the basis of the vision, courage and skill of such young men, this country was carrying the greatest freight air load in the world. That was not per capita. We were carrying the greatest air freight load in the world before the second world war. That was achieved because groups of young men organized air routes, and with the competitive spirit of vigorous young Canadians showed what could be done in the uncharted routes of the great north as well as the charted routes of the south. It is a glorious page in the development of Canadian aviation. Then the second world war came and once again this country demonstrated the peculiar qualities possessed by its people. Young men and young women again showed that Canada has special qualifications to lead the world in civil aviation. In this country the commonwealth air training plan not only brought together many thousands of young people from every part of the commonwealth to take their training together but also produced as a necessary part of that training an unusually large number of airports all through the country. Many of those airports are still available for uses to which they are not now being put.

In 1945 we ended the war with a tremendous reservoir of trained men and women ready to take their part in the extension of our air services. We had airports and buildings dotted all over the country in the smaller

as well as the larger communities. Since that time many of these young men and women have been able to carry forward their training in civilian life. Because of that background Trans-Canada Air Lines has been able to establish a safety record second to none anywhere in the world. In addition there are other air services in this country which have also given the quality and kind of service that we would expect would be given by young men and women of the type trained here.

Having said that, one must say with a sense of realism that we have not gone nearly as far as we should have with the opportunities we possessed. We have a great trunk route across Canada. We have certain routes north and south. We have certain routes connecting the larger Canadian cities with cities in the United States. But if you look at a map showing the air lines in this country you will see that we have neither the number of routes we should have in Canada on trunk services, nor those feeder lines that we should have all over this country making use of those smaller airports, and some very large airports, which were built during the war in smaller communities.

Mr. Chevrier: I rise to a point of order. When the hon. gentleman commenced his speech I did not take objection because I thought he was going to deal with the administration item. However, he has gone on for almost fifteen minutes to deal with the Aeronautics Act, which I had hoped I might bring in this afternoon, and with Trans-Canada Air Lines. I repeat to the committee that I have no responsibility for Trans-Canada Air Lines, and I say now I know of no vote in the main estimates that deals with Trans-Canada Air Lines. It is true that some of the statements made by the hon. gentleman in reference to air policy generally would come under the administration item; but I am sure he does not want to enter into a discussion of the Aeronautics Act at this time, nor does he want to enter upon a full discussion of Trans-Canada Air Lines, because I do not think that would be fair either to the committee or to me. So, Mr. Chairman, I ask you to apply the rules.

Mr. Drew: I submit that I am completely within the rules and that this is the time to bring forward the proposals I have been making and others I had intended to make. It will not take me very long to complete what I have to say. However, this simply demonstrates the very difficulty I am seeking to emphasize, a difficulty that can be overcome by the government. Item 499 under the Department of Transport deals with civil aviation, including the administration of the Aeronautics Act and regulations issued thereunder. The very next item has to do with airways and airports.

Mr. Chevrier: That is exactly the point I am making, that those are the items on which the hon. gentleman should make his speech; and he should make his speech, I suggest, without discussing the Aeronautics Act under a general administration item such as this.

Mr. Drew: I had not thought there was any doubt but that under the general item of administration it was the established practice and very well settled rule that one could discuss any of the items that must be administered by the minister whose department we are considering. Let us see why that is such a sound proposition. The item under discussion deals with departmental administration, which embraces every item under this department. Consequently, if we want to discuss a subject that touches more than one item the appropriate place to discuss that subject is on the opening item of administration, which necessarily deals with every other item in the estimates of that department.

I wanted to point out that I was not dealing with Trans-Canada Air Lines alone, nor with the new Aeronautics Act. I was dealing with the act for which provision is made in these estimates, and was seeking to point out why I hoped that before we finish these estimates, and before we come to a consideration of the amendments to the Aeronautics Act, the government will take a very simple step it can take and transfer Trans-Canada Air Lines to the administration of this department so that we will be able to discuss the whole subject at that time. That is why I was bringing up this matter this evening.

The Chairman: Order.

Mr. Chevrier: Do I understand the hon. gentleman has completed his remarks?

Mr. Drew: No; the chairman rose. I did not intend to speak very much longer, but I do submit that I am entirely within the rules. I had hoped to be helpful so that my suggestions, if they were worthy of consideration, could be given that consideration over the week end in order that when we resumed our discussion the government might make its decision with respect to them.

Mr. Chevrier: I have no doubt the suggestions are worthy of consideration; far be it from me to say otherwise; but I do not think this is the place to discuss them. If I may say so respectfully, I entirely disagree with the hon. gentleman in the interpretation he places upon the departmental administration item. This is an item which permits the discussion of matters concerning the

Department of Transport generally. The other, particular, items permit the discussion of those things to which they relate. My hon. friend has been discussing Trans-Canada Air Lines, which do not come under any item in the estimates. He has been discussing in detail the Aeronautics Act, which I submit with deference should not be discussed on the general item but on the two items to which he referred, and which will be up for consideration when the amendments are brought in. I do submit, Mr. Chairman, that the hon. gentleman is out of order.

Mr. Drew: Well, I am not going to take any unnecessary time in arguing the point. I believe I am entirely in order. I sought to place before the committee reasons why these matters should be given consideration, but rather than continue any argument about it I shall wait until the items come up, though I believe that will involve more time and do away with the possibility of bringing the whole operation into the position I think would be best in the interests of civil aviation. I would point out that I was not discussing any single item of Trans-Canada Air Lines, or any single item under the act. I was discussing the broad problem of civil aviation and the desirability of bringing it under one all-embracing organization, in the interests of the expansion of the services we need in this country. If the minister argues against a discussion of that kind at this time, however, rather than argue as to who is right and who is wrong in the interpretation of the rules I shall defer my discussion until we come to the items, though it will only lengthen the time necessary for discussion.

Mr. Stanfield: On this item last year the hon. member for Cumberland and I brought up the question of restoring ferry service across Minas Basin between Parrsboro on the one side and Kingsport and Wolfville on the other. At that time the minister said a suitable boat could not be had, or something of that kind. As he knows, that ferry service was carried on for many years, and was done away with during the war. I believe it is some 175 miles around the bay if you have to go by car, and if you are in a hurry that is a long way to drive. I wonder if the minister has given any consideration to the restoration of this ferry service in the near future. I am sure it would be of great interest to many people in Nova Scotia.

Mr. Chevrier: I am not in a position to give the hon. gentleman the information he desires now. This is a matter which concerns the maritime commission, and when we come to that item I will have the information.

Mr. Johnston: On March 8 and again on March 22 of this year I broached the subject of railways and trucking. If my memory serves me aright, on those occasions the minister said he would be willing to discuss that matter more fully when his estimates came up. I am not sure of the appropriate place to discuss that question. If the minister thinks it would not be appropriate under this item and will tell me the proper place in his estimates, I shall refrain from any further comment. Otherwise I want to go on and discuss the demand of the railways before the royal commission and any other body they can get to listen to them that some control be imposed upon trucking in Canada.

Mr. Chevrier: I would appreciate it if my hon. friend could postpone the discussion of that subject until we get to one of the Canadian National railway items.

Mr. Johnston: Would the minister indicate to me the particular item? I should be glad to do that to accommodate the minister.

Mr. Chevrier: I shall indicate it in a moment. I think perhaps the most appropriate item would be the board of transport commissioners.

Mr. Johnston: On what page is that?

Mr. Chevrier: Page 64, item 524.

Mr. Johnston: Of course, the minister realizes the difficulty of those of us who are on other committees. When that item is reached, there may be—

Mr. Chevrier: I do not want to stop the hon. member from discussing it, and if he should not be in the house when this item is discussed I shall indicate an appropriate item under which he can discuss it.

Mr. Johnston: I want to thank the minister for that.

Mr. Adamson: I should like to ask the minister a question arising out of the control of airports. From the markings on them, I judge that the Department of Transport controls the airports. Presumably the department controls the landing, taking off, storage of planes, taxiing and all the other operations around the airport. Where is the division of authority between the Department of Transport and Trans-Canada Air Lines? Naturally each airport has a control tower, and in the control tower there is an officer in charge of telling aircraft whether they can land. I think it is important for the committee to have a statement as to where one jurisdiction ends and the other begins. Trans-Canada Air Lines is in charge of the aircraft. Is that company in charge of the aircraft once it is off the ground, or under whose authority is the plane operating when it comes in to land?

It seems to me that if there are two authorities there is possibility of duplication and unnecessary operational expenses.

Mr. Chevrier: I do not think there is any difference between the operations of the airport in so far as Trans-Canada Air Lines are concerned and any other air line. The hon. member seems to think there is a distinction to be made between Trans-Canada and the other air lines, in so far as the arrival or departure at the airport is concerned, but there is not. I presume the airplane is in constant communication with the control tower if it is flying on the beam. If it has left the beam, then it is in communication I presume with other landmarks, so that it can steer its course appropriately. I do not think there is any distinction to be drawn. There is no duplication, because there is no service performed by the air line which is again performed by the control tower.

Mr. Adamson: I asked the question because I gather that most airports are used by more than one air line. At the appropriate time, or perhaps now, will the minister state how the Department of Transport is paid for the operation of the airport? Is it on a per plane basis, on a rental basis, a per passenger basis or how?

Mr. Chevrier: The department is not paid for the operation of the airport. Moneys are voted in these estimates that are now before the house for the operation and maintenance of airports. There are some exceptions to that, in that a municipality may own an airport. The department does charge landing fees and the like, which are paid by the air lines to the department.

Mr. Green: In the Vancouver press a day or two ago, there was a statement to the effect that the department was going to extend the runways at the international airport. Some action of that kind is needed in order to satisfactorily accommodate the transpacific planes. I believe they are having some difficulty there now because of the size of the runways. Will the minister say what the position is with regard to any such proposal?

Mr. Chevrier: I would rather do so when we reach the particular item.

Mr. Cruickshank: Move the airport to Abbotsford.

Mr. Green: Another question has to do with the regulations for safety at sea. When the minister made his statement concerning fire regulations on April 21, he mentioned that he was adapting them from the safety at sea regulations, which were agreed upon at the convention in London in 1948. Is it the plan to adopt all those regulations which were agreed upon at London, and will those regulations include some provision to force ships on the coast to carry a radio operator?

There has been a great deal of discussion on that point. Last fall there was a wreck on the shores of Stanley park within the city of Vancouver, and the radio telephone was not in operation.

Mr. Chevrier: The accident to which my hon. friend refers was not due to a lack of radio apparatus.

Mr. Green: Will the new regulations provide for the carrying of radio operators on those ships?

Mr. Chevrier: I was asked that question by the member for Vancouver East some days ago. I am afraid I shall have to give the same answer as I gave to him. It is impossible to give that information until the bill is before the house. It has been announced that the bill will be introduced in the near future. It is not ready at the moment, but I hope it will be ready soon. When the bill is before the house, there will be ample opportunity for discussion. I should not like to anticipate any information by giving it now.

Mr. Green: When the minister's estimates come up again, I hope he will give the committee a detailed statement concerning the benefits that may be obtained by the men of the merchant navy. So far as I know, the only improvement in their position since last session has been some extension of their right to vocational training. They still have no right whatever to educational training, pensions, hospitalization benefits, the Veterans Land Act benefits, civil service preference or any of the other benefits which are available to the men of the other services. Will the minister be prepared to make a statement on their position at the present time?

Mr. Chevrier: Yes, I shall make a statement.

Mr. Green: I hope he will say why those benefits are only available to the men who signed a pool contract. Apparently quite a few men were taken on at such a young age that they could not sign a contract with the manning pools and other men were taken on to Canadian ships without ever being asked to sign a manning pool contract. Yet for some reason or other both these groups are ineligible for vocational training. Will the minister also deal with that situation when he brings in his report?

Mr. Chevrier: I said I would give a statement.

Mr. Green: The minister will cover that in the statement?

Mr. Chevrier: I am not saying that I will cover that. I said that I will make a statement. The hon. gentleman is asking so many questions—

Mr. Green: I have not asked many questions. Do not get excited.

Mr. Chevrier: We have had a discussion on this time and again, and I know what my hon. friend's views and feelings are. If my friend gets one concession, he will ask for ten. I told him that I would give a statement. Now he says "Will the minister introduce this matter in the statement?" What else does the hon. member want?

Mr. Knowles: Pipe lines.

Mr. Gillis: I should like to see the minister get this item through by eleven o'clock, but there is something I want him to clarify. This is not only a matter of administration. I think it is a matter of change of policy. I am going to use that Sydney airport as an example. I think the Department of Transport owns that airport. You have the Dutch airlines planes landing there, and those of the American airlines; and there are planes from all over the world coming in. Since the inception of the port, under the minister's department, the cleaning and ramp service and all of that work which is of a labour nature was performed by local people and employees of the T.C.A. Within the last year or so there is moving in there an organization known as Allied Aviation Services, and they are taking over or attempting to take over the servicing of planes that are not Trans-Canada Air Lines planes.

I wrote to the minister giving him the whole story. I have before me a letter dated April 29 of this year. I do not as a rule read back letters to anyone in the house on a matter on which they have made a decision. But I think in this particular letter the minister is absolutely wrong. I know that he did not write the letter, that he obtained the information from his officials and that they relayed it to him. In this letter he makes the statement:

> There is nothing we can do about the situation existing in Sydney.

About which I had written him. The letter continues:

> As you know, Allied Aviation Services is a Canadian company, even though it may have American affiliations and backing and we cannot very well prevent them from soliciting business at Sydney or anywhere else.

It is my interpretation of that statement and it is my information that that particular organization is an American company; and in view of the fact that the airport belongs to the Department of Transport, I think it is the responsibility of that department to see that the servicing of ships coming into that port, their property, should be done by either members of the T.C.A. or the Department of Transport. Definitely, it should be Canadian labour.

I am merely bringing this matter back to the minister's attention so that he may have another look at it with his officials. I have been out to the port and have discussed this matter with the employees. If you let that American company muscle in there, it means that you are going to displace practically everyone who is performing that service at that airport at this time, and most of them are veterans of the recent war and have been there for some considerable time. I wish the minister would have another look at the situation and I hope that, some time before his estimates are finished, he will be in a position to tell me exactly what he thinks the situation is. I do not think this letter answers the question.

Mr. Chevrier: I shall be glad to take another look at it.

Item agreed to.

Canals service—

460. Canals service—administration, $97,950.

Mr. Green: As the minister got his administration item through, I suggest that we report progress.

Mr. Knowles: Progress? That is the first item passed this session.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Chevrier: On Monday, since it is private members' day, we shall follow the order set out in standing order No. 15.

Mr. Knowles: It is strange, the number of private members' days we are getting this year.

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

[The following item was passed in committee of supply]:

DEPARTMENT OF TRANSPORT

A—Department—

459. Departmental administration, $1,012,455.

HOUSE OF COMMONS

Monday, May 8, 1950

The house met at three o'clock.

COMMITTEES OF THE HOUSE

RAILWAYS, CANALS AND TELEGRAPH LINES

Fifth report of standing committee on railways, canals and telegraph lines.—Mr. McCulloch.

RADIO BROADCASTING—DOMINION ELECTIONS ACT —CHANGES IN PERSONNEL

Hon. Alphonse Fournier (Minister of Public Works) moved:

That the name of Mr. Winters be substituted for that of Mr. McCann on the special committee on radio broadcasting.

That the name of Mr. Hatfield be substituted for that of Mr. Brooks on the special committee on the Dominion Elections Act.

Motion agreed to.

MISCELLANEOUS PRIVATE BILLS—CONCURRENCE IN THIRD REPORT OF STANDING COMMITTEE

Mr. H. W. Winkler (Lisgar) moved that the third report of the standing committee on miscellaneous private bills, presented to the house on Thursday, May 4, be concurred in.

Motion agreed to.

FIRE AND FLOOD DAMAGE

RIMOUSKI, QUEBEC—RED RIVER VALLEY, MANITOBA—FEDERAL ASSISTANCE

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, this last week end has been one of great anxiety, even suffering and distress, for a large number of our fellow citizens, especially in two separate areas of this country. When I heard yesterday of the terrible fire that was raging at Rimouski I sent telegrams to the mayor and to the archbishop, which perhaps I might read, because I feel sure that all hon. members would like to be associated with the sentiments I expressed in these telegrams.

The telegram to the mayor was as follows:

A Son Honneur le Maire Victor Lepage
Rimouski, Qué.

Je suis horrifié d'apprendre l'étendue du sinistre que vient de subir la ville de Rimouski. A la population de votre ville et en particulier aux familles, aux institutions et aux maisons d'affaires si durement éprouvées, vous voudrez bien transmettre l'assurance de ma plus entière sympathie.

Louis-S. St-Laurent

The telegram to the archbishop reads as follows:

A Son Excellence Mgr Courchesne, Archevêque de Rimouski,
Rimouski, Qué.

La nouvelle de la tragique conflagration de Rimouski me cause un vif chagrin. Je tiens à vous adresser, à vous, ainsi qu'aux autorités du séminaire et des autres institutions religieuses qui ont été éprouvées, l'assurance de ma très vive sympathie.

Louis-S. St-Laurent

In this morning's Montreal *Gazette* the message to Mayor Lepage is translated as follows:

I am horrified to learn the extent of the disaster Rimouski has suffered. To the population of your city, and especially to the families, the institutions and the business firms so badly affected, I would ask you to convey the assurance of my deepest sympathy.

The message to Archbishop Courchesne is translated as follows:

The news of the tragic conflagration at Rimouski causes me deep sorrow. I would wish to extend to you and to the authorities of the seminary and of the other religious institutions which have suffered losses the assurance of my deepest sympathy.

Some hours earlier we learned that flood conditions in the Red river valley had taken a turn for the worse. Last Saturday I gave the following statement to the press:

From end to end of Canada, the people are deeply concerned about the anxiety of their fellow citizens in Winnipeg and the Red river valley. We are all anxious to have done whatever can be done to relieve the distress and suffering of those whose homes have been invaded by the floods. All agencies of all governments, as well as the Red Cross and other voluntary organizations, are doing all they can to help, and we all hope that the disastrous conditions may soon be ended.

Over the week end the Minister of Justice (Mr. Garson) went to Winnipeg to see that everything that could be done by agencies of the federal government was being done. He returned this morning and brought the following letter to me from the premier of Manitoba:

May 7, 1950

Right Hon. Louis S. St. Laurent, P.C., K.C.,
Prime Minister of Canada,
Ottawa, Canada.

Dear Mr. Prime Minister:

As you will know by reports that have already reached you, our flood situation, which we had hoped would by now have passed its peak, is becoming increasingly serious. Recent heavy rains throughout most of the Red river valley area have added tremendously to the volume of water, the area of flooding and resulting damage. For two or

three days during the worst of the rain and following it, extremely high winds caused still further damage, making relief activities very difficult and in some cases impossible. From the international boundary north to lake Winnipeg, an area some seventy miles long and varying in width from five to thirty miles is now covered with flood waters. This area includes many towns and villages, greater Winnipeg and the city of St. Boniface. In greater Winnipeg itself, in spite of emergency diking operations, several areas containing not only a large number of residences but three large hospitals and other public buildings, already have been in large part evacuated.

The situation took such a sudden turn for the worse late last Friday afternoon as to indicate the necessity of immediate action to evacuate two hospitals and two large residential areas; I therefore convened late that night an emergent meeting of representatives of some of the organizations most active in flood relief, including representatives of the army, the Manitoba Red Cross Society and of the police, engineering and health departments of the city of Winnipeg.

Hon. Stuart Garson, Minister of Justice, had just come to the city for the purpose of investigating the flood situation and conferring with our government regarding it, so we were fortunate in being able to have him sit in at this emergency conference.

Following a full discussion at this meeting, it was unanimously agreed that the situation had become so serious that all flood relief efforts should be centralized immediately. Acting on this advice, with the meeting still in progress, and with the approval of everyone present, I asked the army to take charge of the co-ordinating operation, it being understood that all other organizations and individuals would continue to give their full co-operation and assistance. Your colleague, the Minister of Defence, was good enough to approve of the army under Brigadier R. E. A. Morton acting in this capacity.

As you are aware, the province of Manitoba already has been receiving all the federal aid which we have asked for and that is a great deal. Practically a month ago army headquarters here and I had discussed the possibility of a flood this spring and had made full arrangements regarding the circumstances in which the army would be called upon to assist. The actual document covering this agreement was signed by me on April 13 last. Similarly, the navy and the air force, though not operating under a specific agreement, have extended to the province and to all other agencies at work on flood relief, the utmost co-operation. The R.C.M.P., in which of course both the federal and provincial governments are interested, has also given us service and co-operation, leaving nothing to be desired. It is unnecessary for me to mention other federal assistance, such as district engineers, department officials, and by no means least of all, your own two ministers, Mr. Claxton and Mr. Garson, having done everything possible to help in this emergency. I would like, therefore, to express to you our deep appreciation of the wholehearted assistance that has been so readily forthcoming from all federal agencies. Exactly the same is true, I am glad to say, of the municipalities, local and volunteer organizations throughout the area and the province.

In spite of all this effort, however, the situation became not only serious but critical last Friday, resulting, as mentioned, in my declaring a state of emergency, and asking the army to assume overall charge of all flood relief activity. It is still critical, and I feel that its effects are so great as to require in many cases expenditures so large that they are beyond the capacity of individuals, organizations, municipalities and even the provincial government, to assume.

[Mr. St. Laurent.]

Under these circumstances, and again assuring you that this province greatly appreciates the assistance already given, I would request that you formally recognize this situation as a national emergency and let us have your assurance of federal financial assistance commensurate with our needs. I am unable at present to state what these will ultimately be. All the people best qualified to prepare an estimate have been, and still are, too busy with the emergency of the flood for me to ask them to given even a casual estimate. In fairness to them, I feel that they should not attempt a considered estimate until the floods have subsided. Several of my cabinet colleagues, departmental officials and others have, however, along with me, conferred with Hon. Stuart Garson during his much appreciated three days here. We feel that he has a good understanding of our position in this matter. What I would request at the present time is that you give us the assurance that assistance will be forthcoming from the federal government. My officials and I will be glad to meet with your government's representatives in order to discuss details of the arrangement.

I wish to thank you in advance for the consideration that I know you will give to this request from the province of Manitoba which has had the misfortune to suffer such a catastrophe at this 1950 flood.

Yours sincerely,

Douglas Campbell

On receipt of this communication from the premier of Manitoba I immediately called a special meeting of council. Following the meeting I dispatched to the premier of Manitoba by telegram the following reply:

Ottawa, May, 8, 1950

Hon. D. L. Campbell, M.L.A.,
Premier of Manitoba,
Winnipeg, Man.

Immediately upon his return to Ottawa, Hon. Stuart Garson delivered to me your letter of May 7, 1950, outlining the present position with regard to the serious floods in the Red river valley in your province. We are glad that all of the federal agencies and authorities in your province have been extending to you any assistance which you required since this is what they had been instructed to do.

We have been following the development of this flood closely from the beginning. We felt that the heavy snowfall in the Red river valley, especially in the American part of it, coupled with the late spring break-up, was bound to create some measure of flooding on the Canadian side. The transformation of this serious condition into one of really critical proportions by the untimely and heavy rains and winds of the past few days is a misfortune of the first order.

In view of the serious news which comes out of the United States part of the Red river valley to the effect that heavy rains there may possibly create another flood crest, we entirely agree with you that the immediate efforts of your government and our own in this matter should be directed towards meeting this physical threat of flooding. But we can assure you that as soon as you feel free to open up the question of federal financial assistance, upon the basis of this being beyond your capacity to deal with alone, we shall be glad indeed to discuss it with you.

No doubt you will want to know now in general terms upon what basis financial assistance to you will be considered. Until the extent of your misfortune is determined, no one can be specific, but I

can say in general terms that in arriving at the amount of our assistance to you, we shall apply the same principles as those upon which our assistance to the British Columbia government in connection with the Fraser river valley floods was determined.

Louis S. St. Laurent

In the case of the disastrous fire at Rimouski, the federal government has taken precisely the same kind of immediate action that was taken at the very beginning of the flood in the Red river valley and that has been taken in respect to other disasters. The special facilities of the armed forces and all other federal agencies in the area were made available at once to assist in emergency action and the provision of emergency relief.

I merely want to repeat that I am sure all the people of Canada sympathize with those who have had the misfortune to be overtaken by these catastrophic events.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, I am sure all hon. members of this house will join with the Prime Minister (Mr. St. Laurent), in the expression of sympathy he has conveyed to the citizens of Rimouski in the appalling disaster that struck that community during the past week end. We all regard that expression of sympathy as voiced not only on behalf of the members of this house, but on behalf of the people of Canada, following one of the worst and most tragic disasters that have occurred in this country.

Hon. members also will be pleased to learn of the steps that have been taken with respect to the situation in Manitoba, though I believe there is room for further comment on another occasion as to the way in which certain things might have been done, which this tragic event will emphasize.

These disasters bring vividly and dramatically to our attention the fact that any community in this country, large or small, may be visited some time by a calamity far beyond the power of municipal facilities to cope with, and far beyond the ability of the citizens of that community to deal with effectively. Rimouski is already looking to the future and seeing what may be done to repair the damage that has been done; it has been estimated locally that it will require at least a quarter of a century to do it.

There is still great emergency in Manitoba. These events, entirely different in character, nevertheless demonstrate the need in every community of some voluntary civilian organization to deal with emergencies of this kind.

For some years since the end of the war the need for civilian defence forces has been under consideration. These tragedies might well suggest to us that we should not limit our thinking in that connection to situations of a military or semi-military character, but should recognize that without warning a disaster as great as that resulting from war itself may call for the immediate well-organized efforts of the citizens of that community, of the surrounding countryside, or even of the whole country. So it would seem that these two events, having regard to their magnitude and the agony which has accompanied them, should impress upon all of us the desirability of creating the kind of organization that has been so clearly and ably suggested from time to time by General Worthington—not merely in order to deal with the direct or indirect effects of war but in order to deal with any emergency that may arise.

Both in Rimouski and in Winnipeg there are stories of the magnificent heroism of people who have risked everything, not only to save their own families and their own homes, but to help others; and in so doing they have been actuated by the most unselfish motives and worked to the point of utter exhaustion. But no matter how wholehearted and unselfish may have been their effort, the inescapable fact remains that no integrated municipal or community organization existed for this purpose.

As we extend our sympathy and the offer of the support and assistance of the people of Canada on this occasion, I would strongly urge hon. members to think of the lesson these tragedies have brought home, and consider the advisability of the early organization of voluntary civilian forces to deal with any such occurrence in the future.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, we wish to join with all hon. members in expressing our sympathy to those who have suffered in these great disasters of the past few days. The sudden and overwhelming fire in Rimouski, bringing loss and tragedy, I think has pointed up the innumerable smaller catastrophies affecting many others in this country which we have suffered from time to time, particularly in recent months. This is one phase of the disaster at Rimouski that should cause us to think of fire protection and precautions against fire all across Canada, in order that property and human life may be saved.

I hope the Prime Minister (Mr. St. Laurent) will take the same steps with respect to Rimouski that he proposes to take in regard to the flood in the Red river valley. Those of us who know what was done in the Fraser valley in British Columbia under similar circumstances are glad to know that the government contemplates the same pattern of relief for the Red river valley. I hope that

similar and generous assistance may also be extended to the citizens of Rimouski.

In mentioning Rimouski, may I say how much I regret that the member for Rimouski (Mr. Belzile) is lying gravely ill in a hospital in this city. His personal loss in the destruction of his home, and the fact that he is unable to speak to his constituency at this time, are circumstances which we deeply regret.

So far as the flood in Manitoba is concerned, I hope that steps will be taken immediately by the governments of Canada and the United States to ensure that disasters like those which have occurred in the Red river valley within the last century and a half will be prevented in the days to come.

We wish to express our sympathy to the people of the Red river valley, and to those who have suffered devastation and loss as a result of the fire in Rimouski.

(Translation):

Mr. J. G. L. Langlois (Gaspe): Mr. Speaker, as representative of a lower St. Lawrence constituency almost adjoining that of Rimouski, I heartily echo the feelings of sympathy which the Prime Minister, the Leader of the Opposition and the leader of the C.C.F. party have expressed for the people of Rimouski.

I was passing through Quebec yesterday when I heard of the catastrophe. I immediately got in touch with localities in the vicinity of Rimouski in order to find out about the situation and to make sure that the good people of the stricken city received the assistance they required.

I also contacted federal authorities, especially the Prime Minister's secretary in Ottawa. It was reassuring to learn that the Prime Minister himself was already giving personal attention to the Rimouski disaster.

This tragedy affects me all the more since for more than five years I had the honour of attending the seminary of Rimouski which was partially destroyed by the fire.

In addition I was pleased to see the dispatch with which, considering the lack of communications, the military authorities answered the appeal for help that had come from Rimouski, in order to provide every possible assistance, under the circumstances, to these people in distress. The Minister of National Health and Welfare (Mr. Martin) also placed the services of his department at the disposal of local authorities. The Montreal and Quebec divisions of the Red Cross dispatched relief groups with amazing rapidity.

[Mr. Coldwell.]

I should like also to congratulate the civil and religious authorities of Rimouski for organizing relief squads and providing valuable assistance and help to the stricken people.

Early yesterday, both on my own behalf and in the name of my constituents, I offered my sympathy to His Excellency Monsignor Courchesne, archbishop of Rimouski, to the civic authorities—the mayor and aldermen of the city—and I also offered to place myself at their disposal and to substitute for, if possible, their doughty representative (Mr. Belzile) who, as was pointed out a few moments ago by the leader of the C.C.F. party, is confined to the hospital by a serious illness.

I repeat the offer of service I made to my fellow citizens from Rimouski and assure them of my entire devotion in this respect.

And now, to His Excellency Monsignor Courchesne, to the mayor and aldermen of the city of Rimouski, to the authorities of my *alma mater*, to the clergy and the people of this prosperous lower St. Lawrence city, I once again express my most sincere sympathy.

(Text):

Mr. Solon E. Low (Peace River): Mr. Speaker, I was inclined to express by applause that those who preceded me had said all I thought should be said or could be said on an occasion of this kind. On further thought, I would not want this opportunity to pass without expressing our sympathy, both to the people in the devastated Red river valley and to those who met with such a tragic experience in yesterday's fire at Rimouski. I compliment the government on the action that they have taken. I think that the faith I expressed last week in them and in their sense of fairness in this respect has been vindicated. I just want to say that we stand ready to back the government in advancing any financial assistance that may be required to relieve the situation, both in the Red river valley and in Rimouski, Quebec.

I was particularly happy to hear from the Prime Minister's own lips that the pattern of assistance established between this government and the government of British Columbia in respect to floods in that province would be used to assist the people in Manitoba and Quebec. We endorse that wholeheartedly, and extend our sympathies to those who have suffered.

Mr. L. A. Mutch (Winnipeg South): Mr. Speaker, as one who comes from the Red river valley area, where for weeks the hearts of the people have been filled with anxiety, I want to say that the people in

that area will find some relief in the recognition that, when they have dealt with the situation that confronts them at the moment, there will be assistance to begin again. While there will be gratitude, and appreciation of all that is done to compensate for the situation as it now exists, the persisting anxiety will be in relation to co-operation in the future to see to it that, so far as may be humanly possible, this thing does not occur again. But for the moment the thought that will be in the minds of my people, and of the people of the other constituencies in the Red river valley, will be gratitude for recognition of their problem, and for some assurance for the immediate future. The long-range hope will be that it may not stop at that.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I have the privilege of joining in the sentiment just expressed by the member for Winnipeg South (Mr. Mutch), as well as the sentiments expressed by those who spoke earlier? It is not unknown for me to be critical of the government, but on this occasion I merely want to say, as one from Manitoba, that we appreciate the action the government has taken, and the assurance that the same pattern as that followed in British Columbia two years ago will be followed in the Red river valley and in the city of Winnipeg and its suburbs with respect to federal financial assistance.

I agree with the Prime Minister (Mr. St. Laurent) that this is no time to attempt to assess the actual amount to be offered, but I am sure I speak for the people back home when I say it will mean a great deal to their morale to have this assurance from the Prime Minister.

I have one or two questions to ask about this matter, and if Your Honour will permit them now, I would not have to ask them when the orders of the day are called. I am in your hands.

Some hon. Members: Orders of the day.

Mr. Speaker: If we could dispose of the matter now, I think it would be advisable to do so. I would ask that members make their questions brief, and deal only with this matter.

Mr. Knowles: Thank you, sir. May I direct a question to the Minister of National Health and Welfare? Will he tell the house what his department is doing to assist the local authorities in Winnipeg in caring for any illness that may develop, or in getting supplies to help prevent an outbreak of illness of serious proportions?

Hon. Paul Martin (Minister of National Health and Welfare): As I told my hon. friend, Mr. Speaker, when he asked me that question on Saturday night, the Department of National Health and Welfare has been in touch with the department of health in the province and has offered any facilities that it has in the matter. Under the circumstances it must be guided by the consideration and judgment of the provincial department of health.

Mr. Knowles: May I ask a question of the Minister of Finance? In view of the fact that this situation is likely to last for some time, is there any way in which the minister can use his price control authority to see that there is no profiteering in the Winnipeg area?

Hon. Douglas Abbott (Minister of Finance): I think the local government has full jurisdiction in that matter. Certainly no consideration has been given to the federal government's re-entering that field.

PRAIRIE FARM ASSISTANCE

PROPOSED AMENDMENT OF ACT OF 1939—WITHDRAWAL OF BILL

On the order:

Introduction of bills—The Minister of Agriculture —Bill intituled: "An Act to amend the Prairie Farm Assistance Act, 1939."

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, when this bill appeared on the order paper on Thursday last and the order was called, I asked permission of the house to have it stand. It arrived on the order paper by the usual course, through the law clerk. But we raised the question whether it should not be preceded by a resolution. While there is some doubt about it, in order to be certain we thought we should have it preceded by a resolution. I would therefore ask permission of the house to withdraw the bill, with the intention of having it reintroduced by resolution.

Mr. Speaker: Is it agreed that the Minister of Agriculture have leave to withdraw the bill?

Some hon. Members: Agreed.

Bill withdrawn.

BARTER TRADING

REPORT AS TO PROPOSED ORGANIZATION—MINISTERIAL RESPONSIBILITY—REQUEST FOR LEAVE TO MOVE ADJOURNMENT UNDER STANDING ORDER 31

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, I ask leave to move,

seconded by the hon. member for Peel (Mr. Graydon), the adjournment of the house under standing order 31 for the purpose of discussing a definite matter of urgent public importance, namely, a report of the Canadian Press dated May 5, 1950, which attributes to the Minister of Fisheries (Mr. Mayhew) who sailed this morning to attend the commonwealth economic conference in Sydney, Australia, as the representative of Canada, a statement that he believes an organization will be set up in accordance with his recommendations to this house on March 13, 1950, that an organization be established to promote barter trading between Canada and other nations, which statement of policy is directly contrary to the statement of policy made on behalf of the government on different occasions by the Minister of Trade and Commerce (Mr. Howe), and therefore suggests that at Sydney a plan will be put forward which violates the well-established constitutional principle of collective ministerial responsibility to the House of Commons.

Mr. Speaker: Standing order 31 reads as follows:

(1) Leave to make a motion for the adjournment of the house (when made for the purpose of discussing a definite matter of urgent public importance) must be asked after the ordinary daily routine of business (standing order No. 15) has been concluded and before notices of motions or orders of the day are entered upon.

It would therefore appear that the motion as presented at the present time complies with that provision. The second part of the order reads:

(2) The member desiring to make such a motion rises in his place, asks leave to move the adjournment of the house for the purpose of discussing a definite matter of urgent public importance, and states the matter.

The hon. member has done that. The third part of the standing order reads as follows:

(3) He then hands a written statement of the matter proposed to be discussed to Mr. Speaker, who, if he thinks it in order, and of urgent public importance, reads it out and asks whether the member has the leave of the house.

Mr. St. Laurent: May I, Mr. Speaker, before you express your opinion, venture some comment on the terms of the suggestion?

Some hon. Members: No.

Mr. Speaker: If the house would agree that the Prime Minister proceed—

Mr. Drew: Mr. Speaker, if that practice, which is not contemplated by the rule, is conceded, then I assume that you would offer me the opportunity to make my observations first in support of the motion.

Mr. Speaker: That procedure could be adopted if the house were agreeable to it. If the house agreed that the leader of the opposition should make certain representations before I decide whether or not the matter is urgent, and then that the Prime Minister make his remarks before I make my decision, I shall be glad to carry out the wishes of the house.

Mr. St. Laurent: I do not want to ask the house to make any change in procedure. If it is not in accordance with practice, I do not want to ask it.

Mr. Speaker: The question that I must first decide is whether this matter is one of urgency within the rules of the house. The leader of the opposition wishes leave to adjourn the house to discuss a statement which appeared in the press, and which attributes to the Minister of Fisheries, who is on his way to the commonwealth economic conference in Sydney, certain statements which he is alleged to have made in connection with the setting up of an organization in accordance with his recommendation to this house on March 13, 1950.

Standing order 31(6) (c) reads:

The motion must not revive discussion on a matter which has been discussed in the same session.

My recollection of previous debates in the house during the session is to the effect that this matter was fully discussed at that time. My recollection is that the Minister of Fisheries referred to this matter when he spoke in the house either on the debate in reply to the speech from the throne or on the budget, I am not sure which, and that other hon. members also spoke on the matter at that time. Therefore it occurs to me that it is reviving discussion on a matter that has already been discussed during the present session. Moreover, there is also citation 176, in Beauchesne's third edition, which reads as follows:

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

There will be other opportunities to discuss this matter before the organization can be set up. In my opinion, a motion to adjourn the house under this standing order should be very carefully considered before it is put to the house. The business of the house is arranged from day to day, and that business is announced at the close of business of the previous day. A motion under this rule disrupts the arrangements previously made. Hon. members who have come prepared to discuss one matter are suddenly called upon to discuss some other matter. Therefore I think that the urgency must be such that the question cannot be discussed reasonably soon in accordance with the regular procedure

of the house. With reluctance I must say that in my opinion the matter is not one of such urgency that it should be discussed at this time.

LABOUR CONDITIONS

CANADIAN PRESS—INQUIRY AS TO REINSTATEMENT OF DISCHARGED EMPLOYEES

On the orders of the day:

Mr. David A. Croll (Spadina): Mr. Speaker, I have a question to direct to the Minister of Labour. I have given him notice of it. Press dispatches on Saturday indicated that the newspaper guild was certified as the bargaining agency for Canadian Press. Subsequently it was charged that the Canadian Press refused to bargain collectively or employ guild members in the Ottawa bureau. The government appointed a conciliator, Mr. Stitt of Ottawa, to investigate the charges. Before he could act, on Friday the Canadian Press discharged twelve employees.

Mr. Speaker: Order.

Mr. Croll: I am getting to the question now, but I have to give the background, Mr. Speaker. That required closing the bureaux in Newfoundland and in Saskatchewan. My question to the minister is this: Is the minister aware of these difficulties, and will he inform the house what action is being taken, particularly in reinstating the twelve discharged employees.

Hon. Humphrey Mitchell (Minister of Labour): What my hon. friend says is substantially true—I should not say "substantially"; it is true. I did meet a committee of the guild on Saturday.

Mr. Knowles: Louder.

Mr. Mitchell: My hon. friend says "louder".

Mr. Knowles: We want to hear you this time.

Mr. Speaker: Order.

Mr. Mitchell: Someone suggested to me that if you heard me you would not understand me. What the hon. member for Spadina says is true, Mr. Speaker. The newspaper guild has been certified by the Canada labour relations board as the official bargaining agency for employees of the Canadian Press. They did ask leave to prosecute, but I have always felt, in my judgment, for what it is worth, that the most important thing is to negotiate agreements and not to run off to the courts, for the benefit of the lawyers particularly. In my experience that policy has worked reasonably well. I appointed Mr. Stitt, a barrister of this city, as an industrial disputes commissioner—

Mr. Diefenbaker: Speaking about lawyers, what about your deskmate?

Mr. Mitchell: He is a good fellow, like yourself. Mr. Stitt is at the present time looking into that phase of the dispute. I have been informed that he has been able to get the two parties together at least to talk to one another. That is often sometimes difficult on both sides when the employees are first organized. I did meet a committee on Saturday at the request of the guild, which indicated to me that eleven of their members had been laid off. They requested that Mr. Stitt also look into that part of the dispute. I have already indicated to him that I wish that to be done.

I think everybody in the house, irrespective of party, will join with me in the hope that this dispute will be settled to the satisfaction of the members of the guild and of the Canadian Press.

RAILWAY EMPLOYEES—PROGRESS OF NEGOTIATIONS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): I should like to address a question to the Minister of Labour, especially in view of the good humour he is in today. Can the minister bring the house up to date, if not today, at some time in the near future, on the state of the negotiations between the railroad workers and the railroad companies?

Hon. Humphrey Mitchell (Minister of Labour): I do not know whether my hon. friend has been asked by the parties concerned to raise this question on the floor of the House of Commons, which I doubt very much. As my hon. friend well knows, a board of conciliation was established and we went through all the machinery of the Industrial Relations and Disputes Investigation Act. If my hon. friend has not seen the reports I shall be glad to send him a copy of the majority and minority reports.

Mr. Knowles: I already have a copy.

Mr. Mitchell: That is how the matter stands at the moment, and further than that I do not wish to make any statement today.

UNEMPLOYMENT INSURANCE

QUESTION AS TO EXTENSION OF SUPPLEMENTARY BENEFITS

On the orders of the day:

Mr. Clarence Gillis (Cape Breton South): May I be permitted to direct a question to the Minister of Labour? Have any representations been made to the minister's department requesting that the supplementary benefits under unemployment insurance made

available by the recent amendments to the act be extended until such time as the unemployment situation is relieved?

Hon. Humphrey Mitchell (Minister of Labour): I did not reach my office until a moment or two before the house assembled. I could give an offhand answer from memory, but I should like to check before I do that. If my hon. friend will wait until tomorrow morning I shall be glad to answer his question.

Mr. Gillis: I sent the minister notice.

Mr. Mitchell: It is my fault; not my hon. friend's.

SALES TAX

CIGARETTES AND TOBACCO—ABOLITION ON PURCHASES BY VETERANS IN MILITARY HOSPITALS

On the orders of the day:

Mr. J. H. Rooney (St. Paul's): Mr. Speaker, I wish to direct a question to the Acting Minister of National Revenue. Will the acting minister give consideration to the abolition of the sales tax on cigarettes and tobacco sold to veterans in military hospitals?

Hon. Robert H. Winters (Acting Minister of National Revenue): The hon. member gave me notice of his question but I believe that this is one that could more appropriately be directed to the Minister of Finance, and I have therefore communicated it to him.

Hon. Douglas Abbott (Minister of Finance): This is a question which has been under consideration for some time, but, as I have had occasion to explain in budget debates before, there are some difficulties involved. I shall give fresh consideration to it, and when the budget bills are under consideration perhaps I will be in position to give my hon. friend an answer.

ABOLITION OF SALES TAX ON MATERIALS USED IN OCCUPATIONAL THERAPY AND HANDICRAFTS IN MILITARY HOSPITALS

On the orders of the day:

Mr. J. H. Rooney (St. Paul's): I should like to address a question to the Minister of Finance. Will he give consideration to the abolition of the sales tax on materials which patients in the veterans hospitals purchase for occupational therapy and handicraft work, on which these patients make a few dollars by personal sales?

Hon. Douglas Abbott (Minister of Finance): I shall give consideration to that too.

[Mr. Gillis.]

PRIVATE BILLS

CONSIDERED IN COMMITTEE—THIRD READINGS

Bill No. 55, respecting the Limitholders' Mutual Insurance Company.—Mr. Lesage.

Bill No. 84, respecting United Grain Growers Limited.—Mr. Weir.

CANADIAN RED CROSS SOCIETY

Mr. A. A. Macnaughton (Mount Royal) moved the second reading of Bill No. 152, to amend the Canadian Red Cross Society Act.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, before this motion for second reading is carried, as I am sure it will be, I think we should note that it is a most interesting coincidence that we should be dealing with a bill respecting the Canadian Red Cross Society on this day. As has already been made clear by the remarks made commencing at three o'clock, the Canadian Red Cross Society has been living up to its great traditions during the past few weeks, and particularly during this past week end in connection with the tragic disasters at Rimouski and at Winnipeg and throughout the Red river valley. It seems to me that everything that was said in this house the last time this bill was up has been more than vindicated. Your Honour will remember that on that occasion members on all sides of the house paid glowing tributes to the work of this organization.

In these two tragic occurrences we have had evidence of what the Red Cross can do and of the speed with which it starts to work wherever there is need. I am sure members of this house will be most anxious to see this bill put through. If I might suggest it to Your Honour, I think this bill will so readily meet with the concurrence of hon. members that this is one instance in which it is hardly necessary for you to suggest that the bill be referred to the standing committee on miscellaneous private bills. I am sure that if the hon. member for Mount Royal (Mr. Macnaughton), who is sponsoring the bill, asks that we go directly into committee of the whole after it has received second reading, no one will object. Among other reasons I think it would be a good idea to get the bill through today so that we can make up for what happened last session. Hon. members will recall that we passed a similar bill last session, thinking we had done a good job, only to discover that our friends in the other place had emasculated the measure in such a way that by the time it got back to us it was not worth putting through. I should like to ask the hon. member for Mount Royal, when we get into committee, wherein the bill,

as it has now been passed in the other place, differs from the bill they rejected last year. I think only a minor detail has been changed. At any rate I hope that the bill can be put through all its stages today, and we shall know this time that after it is passed by this house it will shortly become law.

Mr. William Bryce (Selkirk): Mr. Speaker, I do not want to delay the bill. As member for a constituency which is pretty much under water at the present time, I want to take the opportunity of saying "many thanks" to the Red Cross. They have come to the rescue again. It is brought forcefully to the attention of people in the danger zone that the Red Cross is doing a wonderful job. On behalf of the people of my constituency I thank the Red Cross for what it has already done in the evacuation of flood victims.

Mr. Macnaughton: Mr. Speaker—

Mr. Speaker: Order. I should remind the house that if the hon. member speaks now he will close the debate.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, before the debate is concluded I want to make a few brief remarks by way of endorsation of what has been said by previous speakers about the Red Cross. I have a personal reason for being grateful to the Red Cross for their work in Canada. On various occasions I have seen their work in my own community. First of all I want to express my appreciation to the officers of the Canadian Red Cross for providing hon. members with an excellent brief on the history, constitution, policy and program of the Canadian Red Cross Society, prepared by them for members of the Senate and House of Commons. I have read the brief, and I find it quite informative. It is my intention to pass on to others some of the information contained therein, because I know that they will be just as much interested in it as members of the house.

My first direct experience with the Canadian Red Cross was in France during the first world war, and my second was in the Halifax disaster of 1917. Living in a pioneer community, I have noticed throughout the years the excellent work the Red Cross has performed in the isolated districts of my constituency. In 1948 there were serious floods on the Columbia river, and at that time the local organization of the Canadian Red Cross Society did an excellent and valiant job. Only today I picked up a local paper from my constituency and was pleased to find that the Red Cross is still ready to meet any emergency. In the Trail *Daily Times* of May 3, 1950, there is an article under the heading: "Flood committee prepares for action." The article reads:

> Following on the heels of a request for flood precautionary measures . . . a meeting of the disaster committee of the Red Cross Society was held last night at the city hall. Leo Levey, chairman of the committee, stressed the obligation of the Red Cross that the preparation for disaster must not await the occurrence of a catastrophe but must be planned in advance. The Red Cross committee discussed plans for rescue, transportation, communications, food, shelter, clothing and medical care, and discussed methods of co-ordinating the work with that of other groups in the event of a disaster.

I mention that, Mr. Speaker, to indicate that the people concerned in this organization are prepared to meet any emergent situation. Again I concur in all the remarks made by previous speakers about this most excellent organization.

Mr. C. W. Hodgson (Victoria, Ont.): Mr. Speaker, I should like to make a few remarks about this bill. I want to say at the outset that I am in favour of it. It is my opinion, and the opinion of many others, that the Red Cross has proven to be one of the greatest assets for good that we have in the whole Dominion of Canada. In my own riding it has worked wonders amongst the poorer people, those who have had problems of illness and other adversities with which to contend. The Red Cross has always come to their assistance in every way possible.

In the sparsely settled northern part of my riding there is a Red Cross organization which I do not think can be bettered or equalled by those in other parts of Canada. It is an organization of real people. The good they have done in the last fifteen or twenty years, and the service they have performed in gathering things together to send overseas, has been remarkable. About twenty years ago, a small Red Cross organization started in the village of Wilberforce, with one nurse; now we have a hospital almost in the centre of the county, with six nurses, and it has become inadequate to take care of the situation. We are working on a project for a hospital to take care of the whole county, one which will be more or less a county hospital under the auspices of the Red Cross.

I am wholeheartedly in support of the bill.

Mr. J. W. Noseworthy (York South): Mr. Speaker, I want to join with hon. members who have already spoken in support of this measure, and of the suggestion that we endeavour to put it through the house this afternoon. There are two branches of the Red Cross with which I have come into contact from time to time. First there is the

work of the Red Cross in many of the outposts. I have seen what they are doing particularly in the far northern part of Ontario, and I have come to realize of what great benefit the organization is to the people living there. I have also seen the work of the junior Red Cross in Canadian schools. I think that is a phase of their activities that has not been mentioned in the house, but it is one of great importance. From their brief I notice that today there are thirty million young people throughout the world who are members of junior Red Cross societies, and who are securing through that agency training in citizenship, personal health habits, social responsibility, and international amity.

With the world torn by factions as it is today, it is most encouraging to find that there is a voluntary organization comprising within its membership sixty-six nations of the world, an organization by means of which through its international conferences, international league and international committee, some sixty odd nations can get together and find a common basis of agreement. To me that is one of the great phases of Red Cross work, and certainly I will support any move that will strengthen this organization throughout the country.

Motion agreed to and bill read the second time.

Mr. Speaker: Under the standing orders this bill would be referred to the committee on miscellaneous private bills. During the course of his remarks the hon. member for Winnipeg North Centre (Mr. Knowles) suggested that the bill should not go to that committee but should go to the committee of the whole. That can be done by unanimous consent. Does the house give unanimous consent to having this bill referred to the committee of the whole?

Some hon. Members: Agreed.

Mr. Macnaughton moved that Mr. Speaker do now leave the chair for the house to resolve itself into committee of the whole on the said bill.

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

On section 1—*Limit of real estate.*

Mr. Knowles: Will the hon. member indicate now wherein this bill differs, if at all, from the bill passed by this house last session?

Mr. Macnaughton: There is one slight difference. The bill introduced last December had no limitation on the value of the real estate held in Canada. This bill has a limit of $200,000, which the society believes sufficient for their purposes.

[Mr. Noseworthy.]

Mr. Knowles: Was this limitation of $200,000 set out in the bill in the form in which the society asked that it be passed this year?

Mr. Macnaughton: Yes.

Mr. Carroll: My recollection of the bill of last year is that there was no limit on the value of the property. In this bill the $200,000 refers not to the value but to the annual value. Is there any difference there, in reality?

Mr. Macnaughton: Perhaps it would be better if I gave one or two details of what the society means by "annual value". I refer to the résumé, which I am sure all hon. members have received:

> The general rise in real estate values and the extension of services has made it necessary that the limit on the annual value of the real estate which the society may hold under its present legislation be increased from $100,000 to $200,000 . . . Calculating the annual value at five per cent of the original purchase price or cost of construction, it will be seen that a limit of $200,000 would cover the real estate presently owned by the society and allow for some slight increase in its holdings.
>
> It should be appreciated that "annual value," as far as the Canadian Red Cross Society holdings are concerned, is only an academic term, as no revenue is derived from such holdings and as many of the properties are so situated—for example, outpost hospitals—that it is unlikely that they would have either rental or sale value.

Section agreed to.

Sections 2 and 3 agreed to.

Preamble agreed to.

Title agreed to.

Bill reported, read the third time and passed.

ALBERTA NATURAL GAS COMPANY

The house resumed, from Tuesday, May 2, consideration in committee of Bill No. 7, to incorporate Alberta Natural Gas Company—Mr. Maybank—Mr. Dion in the chair.

On section 1—*Incorporation.*

Mr. Stewart (Yorkton): Mr. Chairman—

Mr. Macdonnell (Greenwood): Mr. Chairman, I call your attention to the fact that I adjourned this debate.

The Chairman: In committee there is no adjournment of the debate; an hon. member may speak as often as he desires.

Mr. Knowles: The hon. member was on his feet when we adjourned.

The Chairman: Did the hon. member adjourn the debate on this bill or on the other bill?

Mr. Knowles: The hon. member for Greenwood was on this bill and the hon. member for Yorkton was on Bill No. 9.

Mr. Stewart (Yorkton): As I understand it there is no adjournment of the debate in committee, and I was first on my feet.

The Chairman: That is correct.

Mr. Stewart (Yorkton): In connection with these bills I was interested to see in the Hardisty *World* a short article, part of which I shall read:

> Alberta is having enough troubles these days deciding how best to make use of her great resources of natural gas, without having the situation messed up by Ottawa too. And that is just what is happening with the present filibuster going on in the nation's capital.

The article goes on to say:

> What makes this all-Canada argument seem futile, at the present time at least, is that assurances have been given by a great many people that gas from Alberta will be guaranteed to British Columbia users before it is sold to Americans in the Pacific northwest. No one, of course, argues that the Americans are not going to get Alberta gas. Regardless of who builds a pipe line a great deal of the gas will have to be sold to U.S. cities. If it were not for the great gas market these cities are, there would be no pipe line because British Columbia alone does not represent a big enough market to justify building an expensive pipe line.

Then the hon. member for Calgary West made some remarks that I should like to place on *Hansard*. Speaking to the members of the Ottawa Gyro Club, he is reported as having said:

> Emphasizing the urgent need for markets, Mr. Smith stated that 67,000 barrels of oil per day are being produced where 150,000 could be produced daily but there is nowhere to sell that amount. "That is one of the tragedies of this business," explained the speaker. . . .
>
> The M.P. from the province that was "born lucky" explained that gas and oil are found together and so abundant is the latter that "enough gas to supply the needs of Toronto, Ottawa, Montreal and all eastern Canada is being wasted in flares. If we had a market for our gas, we could continue our search for oil," said the speaker in conclusion.

Some of us in western Canada are particularly concerned that no misuse shall be made of this natural resource; and that if later on gas and oil are found in Saskatchewan or in the Peace river district of British Columbia, it will not be wasted or improperly used. We are not concerned, nor do I think most hon. members of this house are concerned, with any particular pipe line company. I do not know the representatives of these companies and have not been interviewed by them. I assume that applies to most of the members in this house. We are concerned, however, and deeply concerned in making sure that the people of Canada are first served with gas and oil. So far as the bill before the house is concerned, it applies to the building of a gas pipe line. The member for Calgary West says that there is an ample supply of gas to fill the needs, not only of Canada but of the United States as well, for a great number of years.

We are not altogether satisfied with that assurance. I should like to discuss this afternoon the steps that have been taken to safeguard Canadian interests. I want to stress that the duty of protecting the public is purely a provincial duty. The natural resources in all these western provinces were handed back to the provinces by the federal government. They have full control of these resources, and tomorrow or any day can say that not one gallon of oil or one cubic foot of gas will be sold outside the province. The provincial government has that power, and having the power the duty devolves upon the provincial government.

Incidentally the government of Saskatchewan, which has allowed a large number of leases to be granted to people coming from Houston, Texas, and elsewhere, if gas or oil is discovered in large quantities, has a duty to safeguard the public. The provincial government can prohibit the export of gas or oil. What we are considering here is the matter of the safeguards for the public. Those of us who were born in the western provinces, and have lived there, are deeply interested in the welfare of those provinces. We have watched the freight rates, which I am not at liberty to discuss today because that matter is before a royal commission, and we have found that the western economy has been sadly impaired by the fixing of fictitious rates. I cannot go into detail about them today, but those of us who have studied the rates are convinced that is so.

In the province of Alberta alone we have a great supply of coal, water power, natural gas and oil, yet there are no large manufacturing concerns in that province such as are located in other parts of Canada. In the city of Winnipeg we have cheap hydro power, perhaps the cheapest on the North American continent. In spite of this there has been no development of industry. Western Canada will not be developed merely by letting this gas and oil go out all over the North American continent. We must first try to develop industries in the province of Alberta, the province of Manitoba, the city of Winnipeg and the other provinces. It is vital to our province that any governmental agency, whether it be provincial or federal, that has any control over the matter, exercise that control to ensure that these natural resources are not lost to the people of Canada.

We must now see what safeguards there are before this house. The matter of the immediate sale of this oil and gas is a mere bagatelle. It will give employment for a

short time, and it will give the people who hold the charters a great amount of money, but in the long run we may find as they did in Texas, Oklahoma, and the other states of the United States, that we have a bunch of dry holes and the communities are deserted because the industry has sold out all the gas and oil. We do not want that situation in the western provinces. We do not want our people to be forced to leave those provinces and migrate to the east or to British Columbia. If you are a bright lawyer now, you will go to the east or move to British Columbia and pay $1,500 for the privilege of entering a law practice. We do not want that situation in Canada. We look to the governmental agencies, particularly the provincial government that is in full control of these resources, to make sure that the people of the prairie provinces are taken care of first.

This bill that is before us is not a bill to fix a route. It is merely a bill to give the company a charter. It is being passed under the general Pipe Lines Act that was passed by a previous parliament, when many of the members who are sitting here today were not in attendance. As I pointed out in a previous debate, that bill was fostered and helped by those who are opposing this bill today. They were in favour of the initial bill that laid the groundwork for any private bill. These members gave that initial bill full support. The only question today is which route should be chosen. I listened with a great deal of care to the member for Edmonton West the other evening, and I should like to congratulate him on his presentation. If it became a matter of a route, those in my constituency and those to the west of me in Saskatchewan would certainly favour the Yellowhead route. We cannot understand why the government of British Columbia, which endorsed a certain resolution favouring the Yellowhead route for the pipe line, did not endorse that route for the trans-Canada highway as well. It would have meant that the highway needed to protect the pipe line would have been built alongside of it. The British Columbia government picked another route entirely for the highway, and it goes through Banff; it does not touch Edmonton at all.

In this house we are concerned also with the welfare of the consumer in Canada, whether he is in British Columbia or elsewhere. I am not in favour of this house deciding; and whether the bill before the house is approved or rejected, we will not be deciding the route at all. It will simply mean we are refusing one company a charter that we have granted to five other companies. Speaking again for the province of Saskatchewan, and I think possibly the Manitoba and Ontario members may take the same view, the bill that was before the house a year ago sponsored by the member for Fraser Valley concerning the Westcoast Transmission Company did not even cover the provinces of Saskatchewan or Manitoba. It was only concerned with British Columbia and Alberta. It made no provision for furnishing gas or oil to any of the other provinces, whereas the bill before the house today applies to the whole of Canada.

Mr. Cruickshank: And the United States.

Mr. Stewart (Yorkton): And the United States.

Mr. Cruickshank: First.

Mr. Stewart (Yorkton): Not first; you are wrong there.

The Chairman: Order.

Mr. Cruickshank: The hon. member interrupted me the other day about a dozen times.

Mr. Stewart (Yorkton): I say again that if I were to speak in favour of any particular route, I would speak as the member for Edmonton West did, in favour of the Yellowhead route.

The attitude of the members opposed to this bill is not understandable to me. The member for Vancouver-Quadra is a lawyer, and a year ago in this house he spoke in high terms in favour of the general pipe lines bill. Yet in speaking in the debate in this house the other evening—

Mr. Green: Last year I did say that it had to serve Canada first.

Mr. Stewart (Yorkton): The hon. member did not go that far at all. Here is what my friend said the other evening, and I do not suppose he wants to take this back:

> Let me point out to the minister that when that bill was put through the house—

That is the original pipe lines bill.

> —last year there was not the slightest suggestion that the board of transport commissioners would have the power to decide whether or not a route to the west coast should go through the United States.

That is what the hon. member says; yet in section 9 of the Pipe Lines Act we find this:

> A company operating a company pipe line from a place in Canada to a place on the international boundary line may exercise, beyond such boundary, in so far as permitted by the laws there in force, the powers that it may exercise in Canada.

I am going to stress too that despite the statement of the other evening, the hon. member for Vancouver-Quadra knew when he voted for this other bill that it was providing for the export of gas beyond the boundaries of Canada. He was quite clear on it then, but he was not the other evening. I do not want to requote what has been so ably said by the hon. member for Skeena, but I have here a number of quotations of what the hon. member for Vancouver-Quadra said in the house when that bill was passed by the government in this parliament. Then in addition it has been stated here that the house did not know that this was a very urgent bill, that they did not have much time to study it and they just slapped it through in the dying days of the session.

If you refer to the debate on that, the Minister of Transport said this, as reported at page 2512 of *Hansard*:

> While there is some urgency because of the importance of these projects, at the same time parliament is breaking new ground in the matter of general pipe line legislation, and the bill deserves the most careful consideration of the house.

He told you that, a minister of the government. Then he went on and said this, as reported at page 2510 of *Hansard*:

> I expect that these projected pipe lines will cross both provincial and international boundaries . . . The information which I have at the moment is that there are a number of private companies seeking to get special enactments for the purpose of proceeding almost immediately with the construction of these lines.
>
> Mr. Green: Could the minister say how many?

The minister named five. Then at page 2512:

> Mr. Howard C. Green (Vancouver South): The official opposition approve of the principle of this bill . . . We do hope that it will be possible to bring this Alberta oil into Ontario and also into British Columbia. I see no reason why eventually it should not be piped down to the Pacific coast. It is likely also that there will be a surplus which of course can be sold in the United States. It is a very encouraging picture, Mr. Speaker.

That is the bill that was passed by the government, passed in the very words, without any restrictions that you ask here, when you say, "We want an amendment to provide that the main supply will be kept in Canada".

Mr. Green: It says so there.

Mr. Cruickshank: Read on.

Mr. Stewart (Yorkton): Then we go on:

> The bill we are now considering is a key bill based, as the minister has said, on the fact that the pipe lines will cross interprovincial and international boundaries.

Still no safeguards. Then again at page 2513:

> As the minister said, there are already five companies interested in applying for such acts . . . but I presume there will be more as time goes on.

And when they do he lets the other five through and turns the other two down. Then again the hon. member for Vancouver-Quadra said that special acts of different companies should be referred to the standing committee on railways, canals and telegraph lines. It was the hon. member for Vancouver-Quadra who made the suggestion that this bill, upon which the present bills are based, be referred to a committee of the house for study. It was referred back from the committee unamended and passed.

An hon. Member: Who is filibustering now?

Mr. Stewart (Yorkton): Then they conduct a filibuster in parliament claiming that the government has forgotten about "Canada first". They thought about that a year or more after the basic bill was passed in this house.

Mr. Cruickshank: What are you doing now?

Mr. Stewart (Yorkton): I am telling you what you did in the other house, and you did the same thing.

Mr. Cruickshank: I was never in the other place.

Mr. Harkness: I would ask the hon. member to read *Hansard* far enough to show where I moved an amendment.

Mr. Cruickshank: He does not want to.

Mr. Stewart (Yorkton): I will now refer to the C.C.F. stand on this bill. The then hon. member for Kindersley, as reported at page 2514 of *Hansard*, said:

> We also agree that the principle of the bill—

And you do not move an important amendment if you agree with the principle of the bill.

> —should be endorsed on second reading, and that it should then be referred to the committee on railways, canals, and telegraph lines for further consideration.

I want to point out, Mr. Chairman, that the hon. member for Vancouver-Quadra said:

> The official opposition approve of the principle of this bill, Mr. Speaker, because we are strongly in favour of the development of the oil resources of Canada—provided of course that, once developed, they are wisely used. We believe that oil and iron can form the foundation upon which Canada could become a great world power. It will be remembered that there is no great power in the world today or in modern times which has not had a great production of iron and steel; together with oil they are of the utmost importance in these modern times.

Again, nothing about any restrictions.

Mr. Hodgson: We want to build in Canada, not outside Canada.

Mr. Stewart (Yorkton): Yes; it is "Canada first" again from the hon. member for Vancouver-Quadra.

Mr. Green: Will you read what I said about "Canada first"?

Mr. Stewart (Yorkton): At page 2513, the hon. member for Vancouver-Quadra said:

> The oil and gas should be used in Canada as much as possible. I would point out to the minister that two of the five companies which he has named are proposing to pipe gas from Alberta down to the Pacific coast, but their main purpose is not to pipe gas to Vancouver but to pipe it to Seattle and Portland in the west coast states of the United States. There is a far bigger population in those two states than in British Columbia, and I believe that the intention is that the main line of these pipe lines will be to these states with a branch up to Vancouver.

Mr. Green: On a question of privilege, will you go on and read where I said I would not stand for that, that it had to go through Canada first?

Mr. Stewart (Yorkton): You did not say you would not stand for it.

Mr. Green: Yes, I did.

Mr. Stewart (Yorkton): On your question of privilege, you did not say in that whole debate that you would not stand for anything nor did you in that debate move any amendment that would give that bill any more power to protect the public than there is in it today. Not one such motion was made by you.

Now I want to point out to the committee that, in connection with this whole matter, which I think amounts to a tempest in a teapot, you are only opposing the matter of charters to companies to go along with five charters that you did pass.

Mr. Cruickshank: Oh, no.

Mr. Stewart (Yorkton): That is all you are doing.

Mr. Cruickshank: No.

Mr. Stewart (Yorkton): The hon. member for Fraser Valley has stated "Oh, but the company I am now acting for will withdraw the application they made to build down to the states." But ten days after he passed the bill giving the other charter, they applied not to go through his own province but to go down to the United States of America.

Mr. Cruickshank: On a question of privilege, Mr. Chairman—

Mr. Stewart (Yorkton): That is what they did.

Mr. Cruickshank: Just a minute. You mentioned my passing a bill. I am flattered to hear that I passed a bill. I did not know that I had that much control of this parliament.

Mr. Stewart (Yorkton): My hon. friend cannot say that he did not father the bill.

[Mr. Stewart (Yorkton).]

Mr. Cruickshank: I sponsored it, yes; for an all-Canadian route.

Mr. Stewart (Yorkton): No. The bill had nothing in it about an all-Canadian route.

Mr. Cruickshank: There was a guarantee.

Mr. Stewart (Yorkton): No.

The Chairman: Order.

Mr. Stewart (Yorkton): The bill then in connection with the Westcoast Transmission Company is in exactly the same wording as this bill.

Mr. Cruickshank: They guaranteed that an all-Canadian route would be built.

Mr. Stewart (Yorkton): There was no guarantee whatever of anything.

Mr. Cruickshank: Yes, there was.

Mr. Stewart (Yorkton): There was nothing in that bill mentioning an all-Canadian route; and no guarantee of any sort was given.

Mr. Cruickshank: A guarantee was given.

Mr. Stewart (Yorkton): Now the hon. member comes to this house and says: "I want you to take my word for it that this company ten days ago told me that they would withdraw their application, or have done so, to build in the United States; and they withdrew it." There is nothing in the world, legally or otherwise, to prevent that company from re-applying for that route. There is nothing to prevent any one of the five companies you did incorporate from transferring to any American company that they want to transfer to, taking their money and selling out the public even as these two pipe lines are doing. That is correct.

In addition, you also have on the statute books of Canada an act known as the Electricity and Fluid Exportation Act. In connection with that, no person can export oil or gas without the permission of an order in council which is put through by the Minister of Trade and Commerce. That was on the statute books long before this pipe line bill. It is still on the statute books. What I am pointing out is that we have responsible government in Canada. If at any time there is danger of that field being used to excess, or the gas going to the wrong places, there is that power with the government of Canada. Also under the Pipe Lines Act, the board of transport commissioners have the power to refuse a licence. If they refuse, the company cannot do business.

The hon. member for Vancouver-Quadra said that in his opinion the board of transport commissioners was a fine board and would do a good job. He appreciated the

fact that the government had set up a board with power to pass on these things. He said that in the debate a year ago.

In addition, Mr. Chairman, you have a further safeguard in the persons of the government of the province of Alberta. I as a western member would call upon that government to make sure that there is no exploitation of this field, and that we do use as much of that gas and oil in Canada as can possibly be used here before the people of the United States get any of it.

In a previous debate the hon. member for Calgary West had a great deal to say about the conservation board of Alberta. He said that that board was amply seized of the whole situation. He said they were smart people who knew all about it. He praised them to the skies and said he was quite satisfied with the Alberta conservation board. This was said by an hon. member who has been opposing these bills. When the bill went through last year he praised the board and said he was satisfied with it.

Now let us see what the government of the province of Alberta has to say about it. Let us see what safeguards they give us. Just bear in mind that the law is quite clear, as laid down by the Prime Minister in the same debate. In effect he said that the government of the province of Alberta alone can export oil out of Alberta, and they have full control over it. He said:

> I cannot change the constitution. In my view the resources of a province are controlled by the legislation of that province. If there is legislation in the province of Alberta saying that the owners of fields where there is gas must comply with regulations made by a board set up under the authority of that legislation, I think as a lawyer they would have to do so, because that is control of property and civil rights within the province. The federal government has the right to control export but it cannot force export. It cannot say that property belonging to the hon. member shall be taken from him and exported.
>
> The laws relating to the hon. member's property are under the jurisdiction of the provincial legislature, but if it is something that is free to be dealt with the federal government can say, notwithstanding that it is free to be dealt with, "We will not give you a permit to export it unless you comply with such and such regulation."

If there is any doubt as to what these companies are going to do the government of Canada could pass regulations, either under the Electricity and Fluid Exportation Act or under the present act, and enforce them, but the first duty is the province's. The hon. member for Calgary West says that the conservation board in Alberta is an intelligent one. So, there are your protections, and a lot of the talk that has been going on in this house I submit is far away from the point. We are not deciding a route. If we had to decide a route, as the Prime Minister has so ably stated, we would have to go into all the details. We do not want to build a pipe line around every valley in British Columbia in order to give service. We want to build it in an economical way so that the consumers will not have to pay too much for the pipe line and too high a price for their gas and oil. That is the situation. It can only be gone into and carefully examined by the board of transport commissioners. I had their names available a while ago, but I have mislaid them. One of the members is a former premier of my province, Mr. Patterson. I believe they have a representative from British Columbia, and there are three other other members. Judge Archibald of Nova Scotia is the chairman. Under the act constituting the board they have the power to examine the applications before any permission is given to export. There is the maximum of protection under the electricity and fluid act to which I referred a moment ago. Therefore there are these two protections as far as the federal government is concerned.

All this talk about Canada first should be directed first to the province of Alberta and then to the governments of the other prairie provinces, and then to those other two bodies to which I have referred. As far as this house is concerned, to keep on arguing in this debate as to whether this company or that company is going to build a pipe line here or there is to my mind, Mr. Chairman, absolute nonsense, because we could never agree on a route any more than some provinces have agreed up to date on a trans-Canada highway route. We would have the same troubles that have cropped up there.

Mr. Cruickshank: You still have ten minutes.

Mr. Stewart (Yorkton): I am glad to know that the hon. member for Fraser Valley is enjoying my remarks. I appreciate a good audience, and I know of his intelligence.

Mr. Cruickshank: I want to know which United States route you favour.

Mr. Stewart (Yorkton): May I say to the hon. member that the only United States route I know of is the one mentioned in the bill he introduced. That is the only one we have seen in the house.

Mr. Cruickshank: Your company advertised it.

Mr. Stewart (Yorkton): So far as Saskatchewan is concerned, I have a letter from the commissioner of the board of trade of Saskatoon. We want protection in that province. We do not want it all to go to British Columbia. Sometimes you get some hon.

members from that province who take an all-Canadian view, and at other times, when they get west of those mountains, they take a very narrow view. They are isolated on the west coast—

An hon. Member: That is the Liberal—

Mr. Stewart (Yorkton): There is another narrow view. I have even seen a broad-minded Conservative at times. In any event the commissioner at Saskatoon said this:

> The question was raised as to whether Saskatchewan's interests in getting supplies of gas for this province should not be protected. The thought was that, in any such bill authorizing the exportation of gas to centres in British Columbia, Saskatchewan's probable needs of natural gas should be provided for before any gas was exported to British Columbia.

Mr. Cruickshank: Who has the narrow view now?

Mr. Stewart (Yorkton): That is the view of the Saskatoon board of trade.

Mr. Cruickshank: A narrow view.

Mr. Stewart (Yorkton): But you want to hog everything for British Columbia. We could build a gas route much cheaper into Regina and Saskatoon than you can around the Rocky mountains.

Mr. Harkness: What about Yorkton?

Mr. Stewart (Yorkton): Yorkton will be reached ultimately, because all good things emanate around that city; even the Minister of Agriculture comes from near there. I continue with the letter:

> Fear was expressed that, if the private bill passed the House of Commons providing for the construction of a pipe line to bring gas to British Columbia, a future bill requesting the construction of a pipe line to bring gas into Saskatchewan might be refused on the ground that there was not sufficient gas in Alberta to supply the needs of both pipe lines.
>
> I was instructed to bring this matter to your attention with the request that your department consider fully the consequences which may flow from the passage of the private bill in question.

That is the position of the Saskatoon board of trade. You cannot blame them for taking that attitude, when you take the attitude of a sponsor of that bill in this house—and I am now referring to the hon. member for Fraser Valley—which ignores the province of Saskatchewan, that beautiful province, and the province of Manitoba—

Mr. Cruickshank: Most people from Saskatchewan have moved to British Columbia.

Mr. Stewart (Yorkton): I know, and at one time there was objection to that from some of your narrow-minded people. You did not want immigration from Saskatchewan, at one time, and you had to apologize.

Mr. Cruickshank: Who said that?

[Mr. Stewart (Yorkton).]

Mr. Hodgson: You just want selective immigration.

Mr. Stewart (Yorkton): You remember the controversy which took place in the Vancouver papers about that.

Mr. Cruickshank: We did not want too many from Yorkton.

Mr. Stewart (Yorkton): Since the westerners got out there with their western breezes you have wakened up quite a bit. That is all I wish to say on this bill at this time.

Mr. Macdonnell (Greenwood): Mr. Chairman, the hon. member for Yorkton has given us quite a scolding. After hearing what the Prime Minister said on Friday night I somehow thought that scolding was off, but we are back at it again because the hon. member has told us that this is all a tempest in a teapot, it is a filibuster. But then, as I understood him, he tried to indicate that he was really of one mind with those who wished to see the construction done in the Dominion of Canada. I could not help feeling at the end of the hon. member's speech that he was somewhat in the position of a man who was described to me some time ago, as a man who was ready to give all aid short of help. It seems to me that that is where we are.

When I made a few opening remarks the other night I said that I rose to my feet because I had a feeling, which I believe was widely shared in this house, that this bill was not what it seemed to be, that under the guise of being a private bill it was not so very private. I felt that the government, or at any rate some members of the government, or at least one member of the government, had a lot more to do with it than we were really allowed to know. I think this has become a matter of considerable public interest and I should like to read a sentence or two from *Saturday Night* which is not regarded as being partisan of the party I am associated with. Speaking of this matter *Saturday Night* says:

> Here is a question of deep-rooted principles. In spite of all the opposition's attempts the government has so far refused to debate it in the House of Commons.

Since that time the Prime Minister has spoken. *Saturday Night* continues:

> It looks like being settled in the secret conclaves of the board of transport commissioners and the cabinet. We think it would be a pity if the house let that happen: the Canadian public have some concern in the matter.

I think that expresses very well the feelings of a great number of people as well as members of this house. I think we are entitled and have been entitled to carry on this debate. On Friday night the Prime

Minister took quite a different tone from what has been taken by those associated with him, and I shall have occasion to refer in some detail to what he said.

I have always hoped, and I think others of my mind have as well, that these charters might be granted. We believe that the Alberta government is quite right in saying that it wants to have more than one applicant available. That has always been said by the hon. member for Calgary West and the hon. member for Vancouver-Quadra, but they contended that the charters should be granted on proper terms. That is also what was said the other night by the hon. member for Coast-Capilano.

Before I forget, I must say that the attitude which characterized the proceedings in the committee was not what it should have been. Hon. members will recall that we were urged to let this bill go to the committee when, as was represented, we could get all the information which was desirable and necessary and where the matter could be discussed. I shall have occasion later to describe what actually happened in that committee which certainly was a travesty of what we were invited to expect.

I should like now to put on record just what the Prime Minister actually did say, and I do this in the light of all the talk there has been about filibustering, which the hon. member for Yorkton has reiterated. The hon. member and the Prime Minister ought to have a caucus on this. I quote from page 2229 of *Hansard* of May 5, 1950—

Mr. Stewart (Yorkton): The hon. member is out of order in referring to another debate.

Mr. Macdonnell (Greenwood): I will wait until the chairman calls me to order.

The Chairman: The hon. member cannot refer to a previous debate.

Mr. Macdonnell (Greenwood): I am referring to what the Prime Minister said last Friday night.

Mr. Fournier (Hull): On another bill.

The Chairman: As the two bills are now before the committee I think the hon. member should be permitted to proceed.

Mr. Macdonnell (Greenwood): Thank you, Mr. Chairman. That ruling seems to me to be one which is eminently filled with common sense, but whether it will coincide with the hon. member's views as to technicalities, I do not know. This is what the Prime Minister said, as reported at page 2229 of *Hansard:*

> I am not going to suggest that the protracted debates in this parliament about the desirability of an all-Canadian pipe line for the gas and oil of Alberta have been a waste of time. It has aroused public opinion as to the desirability of doing that if it is possible. I would expect that that would not be lost from the point of view of the members of the board of transport commissioners and that they would not lightly disregard the unanimous desire of Canadians that their own territory be used to the greatest possible advantage.

I stress those words "unanimous desire of Canadians". I would think the board of transport commissioners might pay considerable attention to what the Prime Minister said. Whether he should have said it is another matter. At any rate it makes it more likely that what the hon. member for Vancouver-Quadra and others have been fighting for will in the end come about, but my concern is that it should not only come about but come about in the right way.

In order to give this committee an idea of the proper atmosphere of this debate it is desirable for us to recall that after all hon. members of this house have certain rights and privileges. One privilege is for the minority to debate. It is not for any member of this house to decide when the point is reached when the minority is to stop debating, except under the rules of the house. There have been plenty of cases where minorities have ended up by being majorities, and I refer now to particular enactments where public opinion had had time to catch up. It looks to me as if public opinion was catching up here, judging from some of the things that have happened in this house already.

I should like to go back to what was said by the Minister of Trade and Commerce on November 15, 1949, and I quote from page 1807 of *Hansard* of that date:

> I should like also to say a word about what seems obviously to be a filibuster in connection with these bills. The government will not permit any small number of members to prevent this house as a whole from voting on a private bill.

I think we should ponder that. What was really meant was that the government was not going to allow private members to exercise the right which they have. That is what was intended to be said. I continue:

> If these bills continue to be talked out in the limited time permitted for private bills, the government will ask the house to suspend the rules and provide whatever time is required to finish the discussion and to obtain a vote on such bills.

One would think that a crime was being committed, yet I think it is within the experience of us all that the talking out of private bills has been indulged in by the government or by government representatives. We have seen what happened here in the case of the parliamentary assistant to the Minister of Resources and Development, who is really a man of distinction in that respect. He acted as a kind of shock trooper, and I suppose it

might not be irrelevant to suggest that that brought him some political preferment. I am not objecting particularly to that being done; I am only saying that it works both ways.

When the Minister of Trade and Commerce said what he did to the house he said something which was quite improper, and something which in fact produced a result quite different from what was expected. I very much doubt, if he had not said what he did say, whether there would have been nearly as much debate as has occurred since. But he was not the only one. The Prime Minister had something to say about that, though it is quite true the Prime Minister did not put it quite as crudely as the Minister of Trade and Commerce. The Prime Minister is a man of more—what shall I say?—delicacy of expression than the Minister of Trade and Commerce, although at times he can be delicate if he wants to. Here is what the Prime Minister said, and I quote from page 1999 of *Hansard* of November 21, 1949:

> The bills in question have been before the house on four occasions—

A terrible thing. I wonder if there are not members of this house who can recall certain bills which they wanted to get through and which were talked out more often than four times. I continue:

> —during the hour reserved for private bills, and on each of those occasions the time allotted proved to be too short—

What a pity.

> —to permit of an expression of opinion by the house.

Then here is what is really a model of understatement:

> It would perhaps be the feeling of hon. members that there should be an opportunity to permit of a decision being made by the house.

That is just another way of saying what the Minister of Trade and Commerce said. The Prime Minister did provide extra time, so there you have them working together hand in hand toward the same end and seeking to disregard the rights of the minority in this house. Since then we have had the Prime Minister's speech, from which I read you the sentence a moment or two ago in which he said, speaking of this debate, "it has aroused public opinion". I should like to ask if there is any more useful purpose which a debate in this house can serve than to arouse public opinion on a matter in which the public is interested.

I am glad that the Prime Minister has come to that view. After all, this house does not exist merely so that those who are not members of the government—and I speak now of all private members, not merely of those who ordinarily vote against the government—shall just be rubber stamps. Yet the Minister of Trade and Commerce came very near reaching that point. I think there was genuine surprise when there was a really firm attempt to stop this legislation going through. I think we have drifted along to that point in this house. The government does not want to do away with the opposition because that would give the whole show away if the opposition were not there. The public would then begin to prick up their ears if they saw that they were getting a one-party state. The government want to have the opposition but they want it to be tame. The opposition can make speeches and oppose but it must never do anything very much.

When a determined stand was taken on these measures I think the Minister of Trade and Commerce and the Prime Minister obviously were scandalized. They had not seen it happen often before and they did not like it. Indeed, I suppose this is probably one of the most successful efforts that have been made to let public opinion catch up, as it were. Public opinion is often difficult to arouse. The ordinary citizen has not got as much time as we have to study and familiarize himself with these questions, but this was a case where he was given some time and where he seems to have made quite a job. It almost seems as if public opinion had invaded the Liberal caucus, if we are to believe the newspaper article that the Prime Minister read to us the other day, although he finally had to tell us of course that it was all wrong. No—he did not actually say it was wrong. He merely said that it was not a thing that one talked about. In a moment I propose to read just what he said.

From what the Prime Minister said it is clear that it is quite respectable now to take part in this debate. I am sorry that the hon. member for Yorkton seemed to think that it was not but the Prime Minister has really made it respectable. I think we should be rather grateful to him for that because, as I say, it looks as though public opinion had even got as far as the Liberal caucus.

I should now like to say a word about what the Prime Minister said in the house on Friday night. He explained that he had not been intending to take part in the debate but his mind had been changed by reason of a news story in the Montreal *Gazette*. He went on to say at page 2227 of *Hansard*:

> This newspaper story is at page 11 of today's issue, and bears the title, "Gardiner Said To Be Demanding All-Canadian Pipe Lines Route."

It is very interesting to us to hear that. We all take a great interest in the views of the Minister of Agriculture, and of course we all

hope this is true. I imagine this is one occasion when the Minister of Agriculture may not interrupt me, although he nearly always does.

Mr. Gardiner: I never discuss caucus out of caucus.

Mr. Macdonnell (Greenwood): I understand that nobody is supposed to do that but it would appear as though people often do. Then the Prime Minister went on with rather extraordinarily well chosen words because as I read his words you will see that he did not say that anything reported in the article had not happened. He really just said to talk about it out of caucus was not the kind of thing that was done; at any rate it was not talked about in public. Here is what he said:

> Now, all hon. members know that the deliberations of party caucuses are confidential, just as are the deliberations of council.

I must say I think the deliberations of council are more confidential than those of party caucuses, but I think it is perhaps a strong statement in either case. The Prime Minister continued:

> I am quite sure that no one who attended that caucus ever informed anyone outside of party members of anything that transpired within the walls of the hall where it was held.

I should like to think that was true, Mr. Chairman, but I find very great difficulty in believing it is, and perhaps you do also. The Prime Minister went on to say:

> So the whole story about what goes on in our caucus, just as any story about what goes on in the caucuses of any other of the parties, must be the writer's guesswork in that respect.

Then he said something with which we will all agree. He said:

> He would not expect me, I am sure, and no one else would expect me to say anything here about what went on in that caucus, either by way of confirmation or by way of denial.

I think that is a very fair statement. I do not think we would expect the Prime Minister to say that, but there you have it. We have this indication, as I say, that public opinion has got into the caucus. We may never know if public opinion has had this extraordinary effect on the Minister of Agriculture except in so far as we can judge by his actions. It would certainly appear as if public opinion had had an effect upon the hon. member for Coast-Capilano. It would appear as if he, like Joan of Arc, had heard voices and as if those voices had had considerable effect on him.

I think that is all to the good. That is public opinion at work; that is what this debate has brought about in spite of the deliberate attempt of the Minister of Trade and Commerce to silence the minority. He does not think much of debates. I am sorry he is not here. I always like to have him here. I do not know where he is. Perhaps he is off making another trade treaty, and we may have another statement in the morning telling us that everything is O.K. At any rate I wish he were here because I always like his interruptions.

I should like to say a word about the proceedings before the standing committee on railways, canals and telegraph lines. I want to read what the Minister of Trade and Commerce said in that regard because his point was that if we would only send these things to the committee all would be well. The minister said that we were most unreasonable in trying to keep these measures away from the committee. At page 1806 of *Hansard* for November 15, 1949, he said:

> However, I do think that these acts should be studied and studied very carefully. I should like to know much more about the incorporation asked for in the bill about which I am speaking than I know at the present time. But the place to obtain that information is in the committee on railways, canals and telegraph lines to which this bill will be referred, and before which the sponsors of the bill will appear to make their case for incorporation.

At the moment that sounded quite persuasive to me, and I had great difficulty in not accepting that view. Indeed we have had a similar view expressed to us this afternoon rather persuasively by the hon. member for Yorkton when he described to us all these other boards—and they do exist—whose permission must be obtained. As I thought further about the matter however it seemed to me that none of that was an excuse for parliament giving a blank cheque and disregarding our own responsibility. If you remember what happens in the case of the railways, my information is that the board of transport commissioners is limited in its powers, that it has no wide-open power to give permission for the construction of long stretches of railway. I believe their power is limited to six miles, and that the power to do anything beyond that has always been vested in and exercised by this house.

Dealing with the question of the committee, there are one or two features which are rather interesting. Of course the star member of the committee was the parliamentary assistant who took a very definite line in the committee from the outset. He did not think much of the idea of information being given in the committee. In the early stages of the proceedings on the bill he told us that he did not know anything about it, and he evidently felt that nobody else needed to know anything about it either.

An hon. Member: What parliamentary assistant?

Alberta Natural Gas Company

Mr. Macdonnell (Greenwood): The hon. member for Winnipeg South Centre. I should like to read a few excerpts from the proceedings of the committee on railways, canals and telegraph lines of April 27 because other members apparently were quite ready to have the information given although the parliamentary assistant felt differently about it. At the very beginning of the meeting Mr. Prudham said:

I would then like to move that the chairman be empowered to call additional witnesses to give evidence as to route.

Apparently that indicated a change of heart on the part of Mr. Prudham because during the proceedings of April 26 Mr. Prudham said:

I think it is entirely out of order for us to discuss routes in this committee. But if we are going to discuss routes, then all routes should be discussed, including other routes which are not covered by the survey of this company.

While I do not agree with the first proposition I think his second one perhaps is right. So on Thursday morning the hon. member for Edmonton West said:

I would then like to move that the chairman be empowered to call additional witnesses to give evidence as to route.

A little later the hon. member for Inverness-Richmond said:

. . . I am sure there would be only one question that I would be interested in and that is the question of route. . . .

That seems reasonable enough so far, but here is what the hon. member for Winnipeg South Centre had to say:

Mr. Chairman, I think that if we bring in any more witnesses in reference to routes we will only waste more time and I do not think that the route question is germane to this bill.

Then certain other questions were asked; the hon. member for Vancouver-Quadra did not entirely agree, and indicated his disagreement, suggesting that the statement as to wasting time should be withdrawn. The chairman, evidently wishing to pour oil on the troubled waters, said:

I see no objection to the withdrawal of it.

But the hon. member for Winnipeg South Centre replied:

There is no objection to its being withdrawn excepting that I shall not withdraw it.

That was very clear. A little later, however, he changed his mind; he does change his mind at times. He said:

I think I have a right to say it. However, we will get along with this matter this way: merely to advance the action, I will withdraw it. It is on the record, though.

Apparently the chairman did not altogether like that. He said:

I do not think we will get further along like this.

[Mr. Macdonnell (Greenwood).]

Then the hon. member for Winnipeg South Centre said:

I do not know just how one does manage to make statements and have them withdrawn. It is on the record and the people who have heard it will, no doubt, continue to be influenced by it, some one way, and some another.

Hon. members can take that and make what they like of it. What I make of it is that the hon. member for Winnipeg South Centre was seeking in every way to have the committee prevented from doing what we in this house were assured it was set up to do. However, that committee was very useful in one way, because it did enable a check-up to be made of a step that had been taken by the Minister of Trade and Commerce, who had tried to help matters along by writing a letter to the Vancouver city council on April 4, in which he said:

While it is alleged that the Alberta Natural Gas Company, if incorporated, proposes to build a pipe line through the United States, this is not the information that the company has given me. My information is that the new company is proposing to build its lines through all-Canadian territory and to serve all Vancouver points before taking the line into the United States.

In examining Mr. Dixon, the chief witness for the company, the hon. member for Vancouver-Quadra asked about this very point:

Q. Will you give any pledge to this committee that your company, if it is incorporated, will build the Canada-first line, build a main line through Canada to the west coast?

A. No.

Q. Mr. Dixon, that is clear-cut and we are glad to have that statement, but I ask you if in your talks with the Right Honourable Mr. Howe, the Minister of Trade and Commerce, that is the stand you have taken?

A. Just exactly. I have not said anything to Mr. Howe that I have not said to you.

Q. Mr. Howe wrote a letter to the Vancouver city council on April 4 of this year, in which he said—

That is the part I read.

Now, you dispute that, the terms of that letter by Mr. Howe?

A. I told him just what I told you, that we had the five routes, that we would build any line we would be permitted to build, that the board of transport commissioners told us that we would be permitted to build. If the board of transport commissioners tells us to build the all-Canadian route that will be the line that will be built.

Q. Did you assure Mr. Howe that you were going to build an all-Canadian route?

A. I wish we could have assured him that we were going to build any line.

Q. So you did not assure him you were going to build an all-Canadian route?

A. Well, we said we would build an all-Canadian route if the board of transport commissioners selected it. He was perfectly correct in his statement.

Q. If you were ordered?

A. If we were ordered.

So we have this curious action on the part of the Minister of Trade and Commerce, but I think it is very simple to explain. I think when the minister feels something has to be done, as far as he is concerned it is done; and, if it is done, why not say so? Sometimes I think that involves him in slight inaccuracies and optimistic statements. I think anyone looking at this record will realize that far from having given the minister any assurance that they would do what he said, all the applicants for the charter said was that they would do what they were ordered.

I could go further in speaking about the proceedings before this committee, but I do not think I need take time for that. There was constant unwillingness to give time, and at the last the committee was shut off by a resolution. I had never reflected upon it adequately before, but one of the things that struck me was that when you go from this committee of the whole to a committee of the house the minority loses all its rights. It is then subject only to the will of the majority, however high-handed; and I think anyone who reads those reports, as I have read them, will agree that when the hon. member for Vancouver-Quadra said the minority in this committee had been dealt with in a high-handed manner, he was making what the other evening I termed a conservative statement.

I do not intend to devote any time to the matter of route; I think that has been dealt with by people better qualified than I. But there is one thing I believe should be said. A very considerable number of hon. members have expressed their views as to routes, including the hon. member for Yorkton. A good deal has been said about the advantages of the Yellowhead route; but, to put it mildly, I think it was rather astonishing when the chief witness for this company, Mr. Dixon, admitted quite candidly that his only knowledge of the Yellowhead route was gained on a trip through it by train, though he had studied the other routes carefully. As the hon. member for Kootenay West pointed out the other evening, a very significant statement was made by Mr. Dixon when he said they had ordered some 400 miles of pipe. On studying the map the hon. member discovered that this was exactly the quantity required to take the pipe line to the United States border. That was interesting in two ways. It showed that while Mr. Dixon professed to be perfectly ready to build over whatever route they were ordered to build, nevertheless they were so sure in their own minds, and apparently so convinced that they were going to get their own way, that according to him they had ordered these 400 miles of pipe.

At the outset I said my reason for taking part in this debate is that I consider the House of Commons has been very shabbily treated in this matter. I believe there is a widespread feeling here that far from being a private bill this is in effect a public measure. I should like to refer to the words used the other evening by the Prime Minister, because they were rather interesting. A writer in the *Gazette* had said, as appears at page 2227 of *Hansard*:

> The high degree of interest in these reports out of caucus stems from the fact that, up to the present, the government had made it plain that it felt that parliament should give the two companies a free hand in selecting the route along which they would build the huge pipe line.

The Prime Minister dealt with that on page 2228 in these words:

> I do not know what the companies have made plain. I did not attend the meetings of the committees, I have not seen any of the promoters of these companies. I have not read the testimony taken in committee, nor the report of the committee.

It is rather a pity the Prime Minister did not read those proceedings; he might have had his eyes opened.

> I do know that if anyone in the press gallery had come to the conclusion that the government had made it plain that it felt that parliament should give the two companies a free hand to select the route along which they would build the huge pipe line, others may have reached the same conclusion, and I feel I am called upon to point out that there was no such thing made plain by the government, nor ever intended to be made plain by the government.

It will be observed that those are very carefully chosen words. I would have to agree that it had not been made plain, and my whole complaint about this business is that nothing has been made plain. We are left to inferences, which we would much rather not have to make in certain cases. But even there the Prime Minister, in these carefully chosen words, does not go the length of saying that there is no interest in the matter. The external aspects of the situation suggested that it was a government measure. I do not know whether the Prime Minister intended to give that inference, but when the bill was voted upon the other night you will remember that the Prime Minister stood up and voted first, just as he would for a government measure. I have made inquiry, and I am informed that is not usual in a private measure. I am informed that the former prime minister had an entirely different practice, but it may be that I am attaching undue significance to it. To support that same suggestion the government whip, on the occasion of that vote, came in in his usual way, which I have always understood

to mean, "We are ready; the government ranks are lined up and are ready to do their bit." I assume that is the meaning of the bow which the government whip makes to the chair when he enters. As I say, it has all the appearance of a government measure.

I have practically finished my remarks, Mr. Chairman. What I allege, and what I stress, is that there was a deliberate attempt to disregard public opinion. We have this resolution from the British Columbia legislature, which I hold in my hand, unanimously passed, and going on the record in favour of what the member for Vancouver-Quadra and the member for Calgary East have been requesting. All that would have been disregarded long ago if there had not been a determined effort to stop it. I feel that this is of great importance, an importance beyond the issues of today, because to me it is a shining example of the duty of those who have minority rights to stand up for those rights to give the time, which may often be required, for public opinion to assert itself, as it is doing in this case in no uncertain way.

Mr. Murray (Cariboo): Mr. Chairman, public opinion is of course the great controlling factor, and time alone clarifies these subjects so that the people, sooner or later, get the facts. I hold in my hand a resolution passed by the associated boards of trade of British Columbia. It was forwarded to me on May 5, 1950, and reads as follows:

> Whereas the route chosen by the Westcoast Transmission through the Peace river district and south through Prince George through the Fraser valley to Vancouver would benefit more people in Canada, especially in British Columbia:
>
> Therefore be it resolved that the associated boards of trade of the Fraser valley and lower mainland appeal to other boards of trade throughout the province of British Columbia to unite in getting the provincial government and our federal members to advocate the route of the pipe line through central British Columbia to Vancouver.

This resolution is concurred in by all the other boards of trade in British Columbia, excepting those on Vancouver island. It affords us the amazing spectacle of the member for Fraser Valley advocating a route in opposition to the boards of trade in the Fraser valley, because he has filled *Hansard* with a score of commitments to the Yellowhead route which leads us through a wilderness of cactus and sagebrush down towards Trail, over hundreds of miles of country in which there is no development or no prospect of development for years to come. I suggest to you that the first route that was brought forward by the Westcoast Transmission Company was the suggestion that the pipe line would come from the Peace river area to Prince George, Quesnel and the Cariboo country to Vancouver. When the company proposed that to me, long before the election and before they got their incorporation, I said I was in favour of it. I said I thought it would be a splendid thing. The company received its incorporation, and on that basis it circulated maps up in our district.

After the incorporation of that company, other plans were decided upon. Everyone now seems to be talking about the Yellowhead route. The importance of bringing that pipe line through the Cariboo is simply this, that all the way along you have a considerable development, and there are great natural resources. At one point north of Prince George there is the largest stand of softwood left on this continent. It would be a suitable place for pulp mills, and other wood industries. Prince George is the centre of a community in which there are two hundred saw mills operating at the present time, so there is the possibility of obtaining cheap fuel in the utilization of the waste from these saw mills.

Going on to Quesnel, that area is heavily mineralized and forested, as well as enjoying a large ranch population. Then, you go across Chilcotin plains into the Bridge river country. In that area you have another great metalliferous region, in which there are several gold mines operating, and tungsten, iron and base metals in profusion. There is even cobalt and uranium. If one ever got cheap fuel into that Bridge river valley there might be a development equal to Trail itself, and in Trail you have the greatest metalliferous industry in the world.

You go on from there to Pemberton, in which there is an agricultural area as well as timber, and minerals back of Britannia, the great copper country. So that route going down through the Cariboo would service all those communities where development has already begun, and where the application of a cheap fuel such as natural gas and oil would cause a tremendous expansion. The boards of trade of British Columbia, therefore, being more familiar with this subject than a great many of the members of this house, have rightly passed this resolution urging that the development of that country with natural gas lines should be carried through. I am amazed that the member for Fraser Valley should spurn the expression of opinion of all those boards of trade. I am surprised that the member for Kamloops would not support that route, because the Bridge river valley is in the Kamloops riding. He is supporting the carrying of the pipe line down through the cactus country, in which there is little development and little possibility of the resources being used.

Mr. Cruickshank: But the hon. member supported the route through the United States, and voted for it.

Mr. Murray (Cariboo): Now, Mr. Chairman, the hon. member knows he is talking through his hat.

Mr. Cruickshank: No, check *Hansard*.

Mr. Murray (Cariboo): I never supported any route through the United States. I did support the idea of incorporating this company, because I think in Canada there should be free competition. These people promoted a company and they have come to parliament to ask for incorporation. Who am I to deny them that right? It is not proper to make a monopoly in this industry, and I do not propose to subscribe to it.

There is another important angle to the proposal that the line should be carried down through the Cariboo. The Canadian National Railways line runs from Jasper to the riding of my friend the member for Skeena, and that part of the line is not very profitable, although it services that part of the country. I believe the Canadian National is in the red possibly about $35 million a year. Would it not be in the public interest to promote trade and development along the Canadian National railway line in that area? The development of these natural resources would mean that more tonnage could be carried by the Canadian National railway to Prince Rupert on the west or eastward to Edmonton. It is of interest to the people of Canada, not merely the people of British Columbia, to make the Canadian National Railways prosperous. The building of a pipe line through that area, stimulating the activity of those industries, would be of direct benefit to the Canadian National Railways.

There is a much more important local angle to it than that in British Columbia. We have the Pacific Great Eastern Railway running up through that country that I have mentioned. At the last session we made to the Pacific Great Eastern Railway a subvention of approximately $2 million, to assist them in building from Quesnel to Prince George. The plans in British Columbia are to extend that railroad into the Peace river country. What better arrangement could you have than to have it running along or near the main pipe line conveying the oil and gas from the interior of northern Alberta and British Columbia to the Pacific coast? That is a project that will figure prominently in discussions in the future. I know that members of the legislature of British Columbia submitted a resolution on it, and I know that in drawing up that resolution they had in mind the salvaging of the Pacific Great Eastern Railway and the great investment of British Columbia in Cariboo, in Peace river and in that northern part of British Columbia. I would not be surprised to see this subject, which is now before this committee and is taking up so much time, become a prominent question in the next provincial election in British Columbia; and I hope that I shall be spared to be there to have an important part in the discussions.

Mr. Harkness: You had better talk differently than you have been talking so far.

Mr. Cruickshank: He has a new speech now.

Mr. Murray (Cariboo): Because I was broad-minded enough to agree to the incorporation of this second company and this third company, you suggest that I want to build a pipe line through the United States.

An hon. Member: Sure you would.

Mr. Murray (Cariboo): You do not know British Columbia. You do not know the mountains of British Columbia as I do. You do not know those mountain passes. Do you know why those fantastic routes have been placed before you? It is a political idea, to featherstitch that pipe line to as many ridings as possible for political reasons. There are certain places where it will be cheap to build a pipe line. Those passes in the north are much more accessible than the passes to the south. That is known to everybody who knows the mountains of British Columbia. The Peace river pass is broad and low and it would be easy to build a pipe line through there; and of course it would be a simple matter to do the same north of Prince George to the Peace river. Peace river is very accessible, and it would be a simple matter to lay a pipe line in there. The same is true of the Yellowhead pass. As you go north, I can tell you that these passes are lower and more accessible, and any sensible engineer would tell you that.

There is just one weakness in that whole set-up and that is that they have not surveyed the various routes that we have been talking about. We know they have not surveyed the Yellowhead. Everybody admits it. Since it was brought up by the hon. member for Fraser Valley and others, there has been snow in the Yellowhead. You could not have sent engineers up there since last October anyway, to do any good in the Yellowhead. I doubt if they spent much money in these other explorations.

Of course, you have the engineering data of the railways. You know the altitudes and so on and so forth. But this is a big project. There are many millions of dollars at stake

with regard to the oil in western Canada. I am sorry that at the committee, when I suggested bringing in Mr. T. Link, an authority on this subject, objection was made. When I wanted to bring in Mr. Stanley Slipper, who is a great geologist and who knows all about the work which has already been accomplished there, objection was made to that. I hope that these men and others will be brought before the board of transport commissioners, and I hope the board of transport commissioners will not only accept some route which is suggested to them but that they will lay down and decide which route will be taken in conveying this great resource from central Canada to the Pacific coast.

I have said what I wished to say on this matter. I hope that this bill will pass. I hope that we in the House of Commons shall not do anything to discourage the investment of American capital in this country. I would point out to the committee that the development of the oil and natural gas in Alberta and northern British Columbia has been done largely by American capital. We have had some examples of Canadian financiers who have vision and enterprise like my good friend Major James Lowery of Home Oil; but our Canadians are much in the minority in the development of that great resource in Alberta. It is time we woke up and took a little keener interest in the industry. There is no reason why we should call on any American company to build any route. We have here the money, the material, the men and the ability to carry this thing out for ourselves.

I will just close my speech with this remark. It has been said that Joan of Arc heard voices. I would say that some of our members here heard voices since they first voted on these things and the voices caused them to vote in a direction opposite to that which was indicated. I am prepared to make a little prophecy and it is that the final route for the construction of the pipe line will be through Cariboo, through central British Columbia to the city of Vancouver, and from that point on to two and a half million people in the state of Washington; and to the great industry at Trail and to the other industries which will provide some market for the surplus oil and gas of this country.

Before I close I want to point with regret to the fact that so much gas and oil are being wasted today in those western fields. Not long ago I was in Leduc, and at every producing gas well, flames were flaring high in the air burning off what was said to be waste material. All I can say is that it was waste material that certainly would not have been wasted in an American oil field. It was gas going to waste. I was up at Peace River crossing in the riding of the hon. member for Athabaska, or is it of the hon. member for Peace River? There is there an eight-inch gas pipe which has been burning, to my personal knowledge, for twenty-five years, the flame going high into the heavens, burning this gas.

Rome burned while Nero fiddled; and gas enough to light and heat Montreal and Ottawa together is going to waste while hon. members of this House of Commons are fiddling here, filibustering, discussing and debating over what they are going to do about it.

Mr. Hodgson: I do not think anybody in the committee can accuse me of filibustering, Mr. Chairman. This is only the second time I have spoken on any of these bills; and I would not have been long if I had not been interrupted a great deal when I last spoke. I hope I will not get quite so much interference this time.

Following the hon. member for Cariboo, may I say that I can quite understand that he really knows the area out in that country, as he has described it quite fully. But I am surprised at his speaking now, as I would say, in favour of an all-Canadian route; because in the committee, he was one of the members who had quite a lot to say, and many questions to ask, but when the vote came, he voted for an American route.

Mr. Green: Every time.

Mr. Hodgson: Yes, every time.

Mr. Murray (Cariboo): That is not so.

Mr. Hodgson: That is a fact, and you cannot deny it.

Mr. Murray (Cariboo): I voted against petty motions that were brought in with the idea of endlessly delaying the discussion and keeping this bill from a vote in the House of Commons. I voted against filibustering in the committee.

Mr. Hodgson: No such thing. You voted for an American route every time, as the record will show.

In my last speech, on April 3, before Easter, I moved the adjournment of the debate. At page 1501 of *Hansard* I said in effect that I thought it would be well to adjourn the debate and leave it over until after the Easter recess so that hon. members could go home and talk to their constituents, which would give them a little more time to decide just what they were debating.

An hon. Member: It was a good idea.

Mr. Hodgson: I believe it had some effect, because since that time we have had hon. members who were in favour of the bill at that time now taking the same attitude as I am. No matter how smart we think we are as members of parliament, there are times when we can go to some fellow in the back concession and get a lot of information from him which would be valuable to us.

Other hon. members have come around to our way of thinking. One of these is the hon. member for Comox-Alberni, one of my keen interrupters on the day I made my speech. However, he has had a change of mind and of heart.

Mr. Cruickshank: He has seen the light.

Mr. Hodgson: When he read his speech the other night he read it so fast that I could not keep up with him. I had the chance neither to applaud nor to interrupt at that time. On looking up *Hansard* the next day I saw that he had a change of heart. I was very pleased that he had seen the light. Whether he had been home or on a trip to Europe, he certainly obtained some information which did him a lot of good. There were a couple of other hon. members, one from Edmonton East, and the other from Edmonton West, who seem to have had a change of heart in this matter. The hon. member for Edmonton West is in favour of the Yellowhead pass route. I was pleased with his speech until he made his last remark. He said he was in favour of it except that he was willing to leave it to the board of transport commissioners. The hon. member for Vancouver South made practically the same remark. We are not sent here as members of parliament to pass the buck when we get into difficulties. We are sent here as members of parliament to pass judgment on matters which affect our constituents back home. If anybody says he is willing to leave it to the board of transport commissioners he is certainly passing the buck, and is not facing up to the situation as he should in the House of Commons.

Mr. Stewart (Yorkton): The hon. member for Vancouver-Quadra asked for that.

Mr. Hodgson: No; that is what the hon. member says he asked for. Like an evangelist minister who just picks out certain portions of the scripture and preaches from them to his own liking, the hon. member for Yorkton picked out certain extracts from the speech of the hon. member for Vancouver-Quadra and said that is what he said. The hon. member for Yorkton may be a good lawyer, but he would make a good evangelist as well.

There was another hon. member who was also a member of the committee and who took a little part in the proceedings in the committee. He is a friend and colleague of mine.

Mr. Martin: Don't discredit your witness.

Mr. Hodgson: He left an inference, but I do not think it was intentional. He left the inference that it was the opposition to this bill as it stands that held up the committee to such an extent that they had to force the bill through the committee. The promoter of this bill, or the pilot I might call him, is an old railroad man. He has not forgotten a lot of his railroad tactics. Whether he worked on the tail end or the front end of the train, he was certainly the pilot of the railroad business in the committee. The hon. member for Fraser Valley, who opposed this bill from the start, was not a member of that committee. Another member of that committee was the hon. member for Vancouver Centre, who is also the lawyer acting for the company.

Mr. Green: He was not a member of the committee.

Mr. Hodgson: He was active there, anyway.

Mr. Stewart (Yorkton): Wrong again.

An hon. Member: Just doing a little lobbying.

Mr. Hodgson: There was quite a lot of lobbying done. My hon. friend, the hon. member for Kamloops, left the inference that I spoke of a few moments ago. At page 30 of the proceedings of the committee on railways, canals and telegraph lines, he said—

Mr. Fulton: What inference did I leave?

Mr. Hodgson: I mean hon. member for Kootenay East. He said, at page 30 of the report:

> Mr. Chairman, I cannot see any purpose in asking questions unless the person asking them wants an answer and wants to get some information, except it be a child asking questions of its mother merely to keep her busy. We have been sitting in the House of Commons listening to these pipe-line debates, yet I have been unable to get any information. I am here now and I want to get some information, and I would like to put some questions myself. Why would it not be permissible for the witnesses who are here and available to answer those questions?

He left the inference that we were holding up the committee by calling one witness at a time. It is not very often that you can get two witnesses in the box in a case before a jury or in any other case that I ever attended, and the hearing before the committee was

similar to that of a case in court. The chairman ruled at that time that one witness would be called at that time. These are the chairman's remarks:

> There are two angles, the legal angle which Mr. Connolly is taking care of, and the practical angle. And with all due deference to your remarks, I do not think we are wasting time on it. I think we could dispose of the legal set-up of the company and then have Mr. Dixon. I think we would make more time that way in the long run. That is my personal opinion as chairman. So I think it would be quite in order to go on unless the questions become too involved for Mr. Connolly.
>
> The Witness: I shall simply have to pass on to Mr. Dixon any question which involves engineering.
>
> The Chairman: Let us clear up your end of it first.

And the hon. member for Calgary West proceeded with his examination.

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

Some hon. Members: Six o'clock.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at eight o'clock.

Mr. Hodgson: Mr. Chairman, at six o'clock I was endeavouring to complete my remarks on this pipe line bill. I was being interrupted by an hon. member who is not present at the moment. Perhaps that is just as well as I can finish a little more quickly. Since these pipe line bills have been before us there has been no evidence at all offered that a line directly through Canada would be built. It is only the one company that has already received a charter that has said definitely it would build over a Canadian route through the Yellowhead pass.

I think it was the hon. member for Edmonton West who said that the Yellowhead pass was accessible. I assume that he knows more about that than I. The Canadian National Railways runs through that pass and we would probably use our own government system in building a pipe line over this route. Some one has said that it will be necessary to build a highway alongside the pipe line. So much the better. Another road would be built through British Columbia which would probably attract tourist business to that area. I happen to live in a place that has been built up largely through the tourist business and I know something about it. If this road will create tourist business it will probably prove to be one of the best paying roads in Canada. Such a road would build up the cities and towns of that province industrially and commercially and more business would be created for our Canadian railroads as well as for the highway itself.

If this road is built and people decide to go into the tourist business you will have thousands of tourists coming up from the United States to view our scenery. These tourists can look at the same scenery as often as they like and it is never depleted. Scenery is not like a mine or a timber limit or anything like that which is gradually depleted; our scenery will be there for all time provided we protect it properly. You can use it as much as you like and there is no wearing out.

If this pipe line goes through British Columbia the towns and cities will be built up. British Columbia has the ore, the timber and all the natural resources to build up many industries. If cheap power and heat are available the development there will be an asset to the whole country. I know that if there were any chance of having this pipe line go through my riding I would be saying a lot more than I have. I would be working as hard as possible to get that pipe line run through my own riding or even close to it.

There must be a lot of money in the operation of pipe lines. One bill has gone through the house, another is in process of being put through, and another is to follow. The chances are there will be two or three more companies applying for charters. It is stated that the difference in cost between one route and the other is somewhere between $15 million and $17 million. That is a lot of money and it may involve considerable pressure on the board of transport commissioners. I submit that this matter should be settled in the House of Commons by the elected representatives of the people.

The Canadian National Railways is an organization already in existence and for the life of me I cannot see why this pipe line could not be built by that organization. At the present time the Canadian National Railways has a deficit of $42 million. Apparently everyone wants to build a pipe line. One of the engineers said it was like a horse race, it was a matter of who got there first. Why could not this pipe line be built by the Canadian National Railways and thus give a chance to balance that $42 million deficit in the years to come, from the profits from the pipe lines? The Canadian Pacific shows more profits from the operations of its other projects than it does from the operations of the railroad.

Mr. Decore: Is the hon. member talking about nationalization?

Mr. Hodgson: You can go a certain extent in nationalizing things as long as it is not socialization. We have a number of examples in our own country. In Ontario there is the

hydro and we have the Canadian National Railways. There are many other projects, such as Polymer, which I mentioned the other evening. I think there is a lot of money to be made out of a pipe line.

Before this bill is passed the government engineers should survey the Yellowhead route and make a report on what it would cost to build the pipe line. It would not hurt to hold up this bill for another couple of months because it is not a killing matter. One hon. member said that they had been burning gas out there for twenty-five years but surely in another month there would not be much more wasted. If this route could be examined by government engineers probably an argument could be put forth that the pipe line should be built by the Canadian National Railways.

I do not think there was any doubt in the minds of all hon. members of the committee from the evidence given by Mr. Dixon that there was only one route they intended to follow, the one through the United States. Any hon. member of that committee who listened to the whole proceedings could come to no other conclusion. The engineers could offer no figures in connection with the Yellowhead pass, but they said they could get them. If they can get them, so can the government. I think that should be done before we go any further.

We have been selling our natural resources to the United States for a long time and it is time to call a halt. We should start to use these natural resources in Canada for the benefit of Canada as a whole. It does not matter whether an industry is built up in the east or the west, it is of benefit to Canada. I do not think I have anything more to say and as far as I am concerned the vote can be taken any time. But I would like to see this held over so that the government engineers could go out and look over that area.

Mr. Noseworthy: Mr. Chairman, this is the second time I have spoken on these pipe line bills in the two sessions they have been before the house. I want to speak tonight for a few moments as a member of the committee to which these measures were sent. First of all I want to register, along with other members, my protest against the way in which, in my opinion, the bills were railroaded through the committee. As you know, the Monday of the week on which the bills came before the committee was taken away from us as a private member's day, and the first full private member's day was the Monday following the week on which these bills reached the standing committee.

It soon became quite apparent to members of the committee that there was a well organized group of Liberal members on it with the full intention of getting the bills back into the house on the following Monday. We have in the trade union movement a name for people who do the kind of work that I felt Liberal members of the committee were doing. In trade union language we call them hatchet men. In the very early stages of the sittings of the committee there was a determined effort to prevent the committee from considering routes at all. An attempt was made to point out that that was not the purpose of the committee although we had been told on numerous occasions in the house that the whole purpose of sending the bills to the committee was to secure all relevant information concerning the matter.

Then of course there was the attempt to protect the witness whenever any question was raised that proved embarrassing either to the witness or to the supporters of the bill. An onlooker would have thought that many members of the committee were there for the express purpose of protecting the interests of the company whose witness was before the committee. A deliberate effort was made and closure applied to prevent the committee from calling witnesses. A number of members asked for witnesses but if the bills were to be before the house again on the following Monday there was not time to call witnesses who could have given us much relevant information.

I have been a member of a number of committees of the house, and I think I can say quite frankly that this committee was the most political of any in whose proceedings I have taken part.

Mr. Knowles: You were not on the redistribution committee.

Mr. Noseworthy: I want to compliment the witness, Mr. Dixon, who appeared for the company. He gave us every evidence of being quite familiar with his field and he was quite frank. He told us frankly that he had given the Minister of Trade and Commerce no assurance that his company would build an all-Canadian line notwithstanding a letter to that effect which was put on the record of the committee. He stated quite clearly to us that his company was not prepared to have a clause inserted in the bill calling for an all-Canadian route. When asked bluntly if his company would consent to the inclusion of such a clause in the bill he frankly told us "No". I think he clearly showed his personal preference, and his company's preference, for an all-American route. He did that by pointing out to us the many disadvantages of an all-Canadian route. He frankly showed

us that an all-Canadian route would take one year longer to build than an all-American route. He told us quite frankly that the all-Canadian route would cost $17,000 a mile more to build, or a total of $17 million on a route of approximately 1,000 miles.

He told us quite frankly that the Canadian route would be more costly to maintain, and that people on the Canadian west coast would pay more for their gas if it were piped by an all-Canadian route than by an all-American route. He said quite frankly that his company had given consideration to only one Canadian route while they had studied four wholly or partially United States routes. Of the five routes submitted, only one was all-Canadian. One was practically all-American and the other three to a large extent were United States routes. No evidence was given before the committee to show that his company had been concerned with finding the most economical Canadian route. Some statements were made by other members of the committee indicating that Canadian routes other than the one outlined by Mr. Dixon would possibly be more economical or would serve Canada better. The witness frankly admitted that his company had only been interested in the one Canadian route. Rightly or wrongly I gained the impression that the company was so interested in the United States route that it was not at all concerned about finding the best or cheapest Canadian route. It was quite evident that the company's interests lay in an all-American route.

A promise was given that a route through the Yellowhead pass would be considered. We were told that the company would require to spend at least two months in studying it before they could give us an approximate idea of what the cost of such a route would be. We were informed that the company had spent well over a quarter of a million dollars in surveying the routes outlined and that it had been three years in doing so. There was no evidence that they were likely to spend the time necessary to make a thorough study of any other Canadian route than the one presented to the committee. If this particular company is to get its charter from the house and secure permission to build a line in the very near future, they will not be able to give due consideration to other Canadian routes. I see very little prospect of this company studying or surveying alternate Canadian routes unless their charter is delayed for a year or two in order to give them time to do so.

This company appears to be a very capable, well-managed subsidiary of a United States company. Some seventy-five or eighty per cent of the capital necessary for this pipe line, we were told, is to be raised in the United States. Some seventy-five or eighty per cent of the gas transported by the line will go to the United States. In the light of those facts, and in the light of the quite evident interest of this company in the United States route, I see very little prospect of getting this company to build an all-Canadian line.

The question, of course, is whether the board of transport commissioners will order the company to follow an all-Canadian route. It was made quite clear to us that they would do so only if ordered by the board. In that connection I think we are placing upon the board of transport commissioners a responsibility that rightly belongs to this parliament. As western members have pointed out, the building of a pipe line is a matter of great concern to western Canada. I do not believe this government should leave the choice of that route to any private company. This matter is of such importance to Canada that I believe the government, through its engineers and geologists, should have some part in finding the most economical route for the line through Canada. A private company is interested in exporting as much gas as possible by the shortest feasible route, with the aim of making the greatest possible profit, and I do not think we have a right to expect such a private company to spend money in order to find out which of these routes will be most beneficial to Canada as a whole. That is not their job. Their job is to make money for their shareholders. I believe it is the responsibility of this government, as custodian of our natural resources for the benefit of our people, to take some steps to see that if our natural resources are exported, that export is done in the way that will be most profitable to this country.

We were told that a Canadian pipe line might cost $17 million more than a line through the United States. Well, $17 million may not be an exorbitant price for Canadians to pay in order to have that natural resource delivered through their own country, to promote the development of this country in the years to come. It has been pointed out already that if the fathers of confederation had taken the view now held by this company when it came to building the railway that was to connect Canada east and west, unquestionably they would have gone through the United States. But they did not take the view that the easiest and cheapest route must be followed. They were concerned with the future development of this country; and though the cost was greater, the railroad was built through Canada. It seems to me that this pipe line can be of enormous value to this country's future, and that the cost should

not be the major consideration but rather the interests of Canada as a whole, even though that cost may be $17 million greater.

I am not satisfied that this company has lifted a finger to find the most economical route through Canada. Personally I do not think they are interested in finding such a route. I think their main interest is in finding the shortest and cheapest route by which Canadian gas may be exported to the United States market. As the previous speaker said, I am surprised that the Canadian National Railways, in particular, seem to have taken no interest in this project. Goodness knows we have loaded the Canadian National with enough bankrupt enterprises, and overloaded it with the capital charges of bankrupt enterprises, so it is about time we gave the Canadian National some enterprise that had a prospect of being successful and making a profit. I think it would be in the interests of Canada that the Canadian National as well as the privately owned Canadian Pacific Railway should enter into a project so important as this to the development of our country.

We are charged, of course, with supporting a monopoly. Before the committee Mr. Dixon quite frankly pointed out that there was no prospect now or in the immediate future of more than one company building a pipe line to the Pacific coast, and that the line would be a monopoly, no matter which company got the charter. The only place where there is any competition is in this house, to see which company gets the charter, in order that two of the three may have a chance to fleece the public by selling stocks and bonds. As far as the actual pipe line is concerned it will be a monopoly whether built by this company or another. My own feeling is that parliament made a mistake in passing the pipe line bill without insisting that any company applying for a charter should indicate the route it intended to follow. I think no company should be granted a charter to build a pipe line anywhere it chooses, in order to export our natural resources to a market in the United States to promote the development of cities and industries in the United States at Canadian expense. I think no company, under any circumstances, should be left to designate the route the pipe line should follow. I believe it is the responsibility of this government to see that whatever company builds the pipe line, it is built only after there has been an adequate survey of all the possible Canadian routes.

I am not nearly as hopeful as the Prime Minister. I wish I could have as much confidence as he appears to have in the board of transport commissioners. I think we are passing on to them a responsibility that this parliament should accept. I fail to see how that board could, of itself, determine that any pipe line is being built along the route which will best serve Canada, without some preliminary independent surveys and investigations having been made by government engineers. I greatly fear that the decisions in relation to these pipe lines will follow exactly the decision that was given regarding the oil pipe line which brought oil from Alberta to the east. There are a great many people in Canada, and in western Canada in particular, who believe that this government made a mistake in granting a permit to a United States company to build an oil pipe line terminating in United States territory instead of Canadian. I am afraid I have no more confidence that the board of transport commissioners will determine that these lines should follow a Canadian route any more than they did in the case of the oil pipe line.

One rather interesting feature in connection with this pipe line was brought out in the committee. It was pointed out to us by Mr. Dixon that this gas pipe line could be converted into an oil pipe line without very much difficulty, and in a comparatively short time. It was for this reason the company was asking for the privilege of building either a gas or an oil pipe line. Mr. Dixon pointed out to us that there was not much likelihood of this pipe line being converted into an oil pipe line except in case of war. In case of war, he said there would be a possibility that the conversion would be made. I think that is worth some thought on the part of Canadians. In the event of war in the foreseeable future, do we want a pipe line which conveys the major part of our gas through western Canada converted into an oil pipe line carrying oil down through the United States? I believe it is worthy of thought if one is looking into the future. History has a way of changing circumstances.

I would rather see this country have control of its own pipe line when it came to delivering oil in time of war. I believe that is one feature of this enterprise that should be taken into consideration, along with the other views that have been expressed. I suggest that this bill should be held up, and that the basic Pipe Lines Act should be amended by the government. The government can bring in an amendment to that bill and get it through this house on short notice. A private member could not get that amendment through this session. The government could amend the Pipe Lines Act almost overnight, insisting that no company would get a charter until the line it proposes to follow

is indicated in the bill. Any company which has received the charter could be required to follow that course, and inform this house as to the line it proposes to follow. I believe this parliament has to take hold of this matter. It is slipping away from us, and it is slipping away from Canada. The fact that we let one bill through last year is being used as an excuse to let two or three other bills through granting charters to build pipe lines anywhere a company desires. I believe this government, and this parliament, has more responsibility to the Canadian people than to turn the distribution of these natural resources over to private companies, to do with them as they please, and for the most profit they can accumulate.

Mr. Byrne: Mr. Chairman, speaking in the heat of the debate on Monday evening, I believe I may have said something that was presumed by the member for Victoria, Ontario, to be somewhat irrational. If so, I want to assure him that I felt what I said was true, and although it came in the heat of debate it was probably more truthful than some carefully considered statements. At that time I said that I felt there were some members of that committee who had an outright desire to forestall any action by the committee. I want to assure the member for York South that I have seen that type of tactic before in the labour movement also, a continuation of the debate in an effort to wear down and discourage the opposition, and it has been sometimes referred to as a communist tactic.

It is not my intention to rise and criticize any of the members who just spoke. What I want to point out particularly is the picture of the eastern portion of British Columbia, that part which includes Kootenay East, Kootenay West and part of Yale, that is the Okanagan valley. I should like to tell you what would happen to that portion of the country if this one company Westcoast Transmission were allowed to build a pipe line, and no other routes were considered. Those who have taken part in the opposition to these companies being granted a charter have based their arguments on the fact that the company that now has a charter is prepared to build the Yellowhead route. This certainly would be an all-Canadian route, and there is no dispute about that. However, in that portion of British Columbia I have outlined, there are approximately 75,000 to 80,000 people.

It has been pointed out that the potential market in British Columbia, particularly Trail, would consume as much natural gas as the city of Vancouver. I believe that is so, because this afternoon I contacted the head office of the Consolidated Mining and Smelting Company, and the man to whom I spoke there was of the opinion that that was quite correct. As a matter of fact, he said he thought it was a conservative estimate. It is not only Trail. As I have said, there are these other places such as Kimberley, Fernie, Cranbrook, Nelson and all of these other towns which would be entirely eliminated by the route commonly known as the Yellowhead route.

To prove my contention that the Yellowhead route would not service the city of Trail or these other towns, I have here an excerpt from the submission of the Westcoast Transmission Company to the petroleum and natural gas conservation board session of April 13, 1950. Mr. Frere, counsel representing, I believe, the Consolidated Mining and Smelting Company, asked this question:

Mr. Frere: I have a question or two, Mr. Chairman. I have not a copy of Exhibit 99, Dr. Hetherington, but would you mind telling me this. Do the peak day requirements of the Westcoast Transmission Company indicated in Exhibit 99 take into account the supplying of gas for consumers in the vicinity of Trail, British Columbia and Spokane and Hanford, Washington?

A. Mr. Sample presented that market estimate and he did not include gas for those cities.

Mr. Sample is the man who surveyed markets for the Westcoast Transmission Company.

This is proof that the Westcoast Transmission Company, the company who presently has a charter, did not even survey this potential market, so that it is obvious that they did not intend to service that area. During committee, when Mr. Dixon was on the stand, he was asked this question by myself, as reported at page 122 of the proceedings of the committee on railways, canals and telegraph lines:

Q. From the information you have available, do you think that the Yellowhead route would economically serve Trail in British Columbia?

A. It could not possibly serve Trail, not in my opinion.

Also, Mr. Gilman, consulting engineer for Prairie Transmission Lines, was asked this question by me, as reported at page 229 of the proceedings of the committee:

Q . . . In your opinion, and in the opinion of your technical advisers, following what is commonly known as the Yellowhead route, would it be economically feasible to supply Trail, British Columbia, with natural gas?

And when I say Trail, I mean all these other towns that I have mentioned would be eliminated; and also, I believe, the Okanagan valley. Mr. Gilman's answer was as follows:

A. In my offhand judgment, it would not.

There is one thing I want to point out to those who may feel that—because there is a popular misconception in this house and outside of it—the route will be determined

by the passage of these bills. It is because of that misconception that I wanted to point out this matter. If it is true that the people who are opposing these bills are so greatly concerned about the consumption in British Columbia, then I think they should just consider this fact. A route through the Yellowhead pass apparently will not serve the eastern area which will consume more than the western area which is Vancouver and its environs. They therefore could not be giving a great deal of consideration to the people of British Columbia.

Mr. Smith (Calgary West): That is not only wrong; but you are talking about a purely industrial load.

Mr. Applewhaite: At this time, Mr. Chairman, I should like to explain to this committee of the whole house the reasons why I, as a member of the standing committee on railways, canals and telegraph lines, came to the conclusions in committee that I did come to. Incidentally, the majority of the committee came to the same conclusions that I reached. Whether or not they followed the same line of reasoning as I did, I am unable to say.

As I understand it, we of the committee were there to hear the evidence adduced; to weigh and consider that evidence; and, on the strength of that evidence and of the arguments presented in the committee discussions, to arrive at a conclusion. I might say that I felt that no small part of the job was to sift out the irrelevancies and to decide what was and what was not applicable to the matter in hand. We, of course, had to try to come to a conclusion—at least, I felt that I did—on the basis of what was in the interests of Canada. The interests of these applicants or of any of their competitiors are of no concern of mine. But the interests not only of the district of Skeena, of the province of British Columbia, and of the province of Alberta but those of Canada as a whole were, and rightly should have been, the interest of all of us concerned.

In this particular case, of course, the interests of British Columbia and Alberta are particularly closely affected, but they are not solely affected. When we come to base an opinion upon a proposal, I suppose that all of us do so largely whether we feel that the person telling the story or outlining the proposals is sound, competent and reliable. In other words, is the witness credible? Ought we to believe him? What I want to do this evening is to try to outline the evidence which was presented to the committee and upon which the majority of the committee came to its conclusion.

At the start of the hearing on this bill, there was presented to the committee and distributed amongst the members of it a memorandum signed on behalf of the applicant company. That was read to the committee by Mr. Connolly, who is one of the incorporators, one of these persons mentioned in section 1 of the bill; and he acted as parliamentary counsel for the applicants in this connection. In this memorandum there are several sentences which I think should be drawn to the attention of the committee. In the section which outlines the whole project generally, after dealing with supplying the consumers of Alberta, the memorandum goes on as follows:

> . . . to transport such surplus gas as may then remain available to the Pacific coast to serve first the maximum number of consumers in British Columbia who can be reached economically, and, secondly, with such gas as remains available to serve consumers in the United States Pacific northwest. It is necessary to include United States market because the limited market available in Canada would not in itself support the cost of a pipe line from any of the known Canadian natural gas fields to Vancouver.

Those two statements are absolutely clear and unequivocal. We in the committee had to come to a conclusion as to whether or not those incorporators mentioned in section 1 of the bill are not fit persons to become incorporated as a body corporate in Canada. Are they financially responsible and sound businessmen or are they a fly-by-night concern purely for promotion? The statement and Mr. Connolly's evidence showed that they were adequately and soundly financed; that Morgan, Stanley and Company had undertaken to underwrite the full construction costs of the project concerned, and that four outstanding Canadian investment banking concerns were associated with them in that, and Mr. Connolly had letters from all of those associations of those businessmen backing up that statement.

Then there was the question as to where the actual pipe is to be made. Are we going to build a line with pipe manufactured in Canada or with pipe imported? The statement shows, and Mr. Connolly's evidence confirms, that arrangements had been completed with the Dominion Bridge Company for the supply of the large diameter pipe and with Page-Hersey Tube of Welland, Ontario, for the small diameter pipe, both of which would be produced in Canada from plate produced in Canada.

Mr. Green: Only for the line in Canada.

Mr. Applewhaite: Mr. Chairman, I have sat here with the most marvellous simulation of patience and listened to the flights of fancy of my hon. friends for a long time. I would suggest that they accord the same courtesy

to my statement of facts and reasoned argument. I want to say a word in connection with that pipe because I believe the hon. member for Greenwood quite unintentionally left an unfair impression this afternoon when he said that arrangements had been made for the supply of 400 miles of pipe; but he pointed out, and quite correctly, that that 400 miles of pipe would be required, irrespective of whether an all-Canadian or an all-American route was used. Of course he did not go on to state that in the first place the company had not ordered the pipe; that they had negotiated to make certain that it was available and at what price; and in the second place they have negotiated upon the minimum line they could be sure of, depending on the decision which is to be rendered by the board of transport commissioners.

The evidence of Mr. Connolly and the memorandum showed that these incorporators have already expended the sum of $350,000 in geological, transportation and market surveys, which, to me at least, looks like some indication of a sound concern which meant business. They have obtained cost estimates as closely as it is possible to do so until such time as the board of transport commissioners' final decision is rendered.

Now we come to the question of routes, which does not really belong to this bill at all, because as has been so clearly stated, the general over-all Pipe Lines Act has definitely left, and deliberately left, the question of route to the board of transport commissioners. However, I think I am justified in mentioning the question of routes here for two reasons. First, it is, or is supposed to be, one of the main reasons for the opposition to this and a similar bill; and secondly, it has certainly occupied a great deal of the time of the committee. On the question of routes Mr. Connolly said that his company, after some two years of preliminary survey and work, had data on five possible routes, one of which was an all-Canadian route. That is, an all-Canadian route as far as Vancouver. From there it must go down into the United States. Three of them were alternatives of the first route, whereby the line would dip back and forth across the international boundary and take advantage of topography, and one can fairly be described as an all-American route. In that connection the memorandum says as follows—and this is certainly a matter of importance to anyone trying to arrive at a decision on this bill:

> Matters touching engineering, terrain, cost of construction and maintenance of the line, the possibility of maintaining a continuous supply to consumers, markets, the price of gas to industrial, commercial and household users, are all matters which the board of transport commissioners must consider before any order is made approving a route.

[Mr. Applewhaite.]

Now listen to this from the same memorandum:

> The applicants for incorporation are prepared, if authorized by the board of transport commissioners, to build the first described route, which runs through Canada in its entirety to Vancouver. They are also prepared to build along any route which, after full consideration of all the facts, may be deemed to be in the best interests of Canada as declared by the board.

So far I have not mentioned the Yellowknife route—

Mr. Smith (Calgary West): Yellowhead.

Mr. Applewhaite: The company stated quite frankly that they had given some consideration to the Yellowhead route—my mistake—and had not any detailed information on it. They said, through the president of the proposed company, that it would cost approximately $25,000 to make a detailed survey of the Yellowhead route, and they undertook to make such a survey before they appeared before the board of transport commissioners. So what do we get from Mr. Connolly's evidence? Mr. Connolly, as I have mentioned, is not only a parliamentary counsel, but one of the provisional directors of the company. He satisfied me, and I think he satisfied the majority of the committee, that he was sound and honest in his answers, and that he was definitely, and so were his associates, interested in prosecuting this proposition to a successful conclusion to the best interests of Canada as a whole. He satisfied me, and I think the majority of the committee, that the United States market is essential to this proposition; that if we do not sell to the United States we cannot sell on the coast because there is not enough market in British Columbia to justify the building of a pipe line.

He satisfied me, and I think the majority of the committee, that this concern was financially responsible, able and competent to carry out the work which they would undertake if they were given the power to do it. He satisfied me, and I think the majority of the committee, that the pipe which they would use would be made in Canada, in Canadian factories from Canadian materials. He must have satisfied practically everyone in the committee of the thoroughness with which the concern had investigated scientifically all the angles involved in this concern before they applied for a charter. He satisfied us that his concern would go before the board of transport commissioners with five, since extended to six, alternative routes, and that they would build upon such of those routes as the transportation board approved. He satisfied us that arrangements had been completed for the satisfactory collection of the gas in Alberta, and for the distribution

of that part of it which must be sold in the United States on the United States side of the line, and that companies had been organized to carry out both of these necessary details.

Now we come to Mr. Dixon. I suppose if there was one thing on which every member of the committee was agreed, it was that Mr. Dixon knew what he was talking about; that he was competent and capable. I have not the time to give this committee the full life history of Mr. Dixon, but I propose to give to this committee a short summary of it, and lest there may be any suggestion at a later stage, may I say now, that this summary of Mr. Dixon's career, together with all the rest of my speech, was prepared neither in Wall street, nor in Calgary, but is the result solely of my own efforts. This is Mr. Dixon: graduate of Harvard school of applied science, member of the firm of Brakow, Dixon and McKee, a firm in existence since 1919 as engineers in petroleum and natural gas and geologists. He has been a geologist since 1911. He has a very wide experience in construction and operation of pipe lines. He was geologist and engineer for the Houston gulf line from Corpus Christi, Texas, to Houston, the first such pipe line in the United States built by public financing. He started in 1924 his first work done for the American government during the first war. He has worked on many small enterprises, one of which grew into the United Gas Company, one of the largest in the United States. He was engineer and inspector on the pipe line from Houston to northern Louisiana in 1929.

There he was geologist for Southern Natural Gas Company, a pipe line about 800 miles long. For several years he was with the Missouri-Kansas pipe line which finally had some 3,000 miles of pipe line, counting double lines. He was one of the promoters of the Tennessee line from near Mexico to Buffalo. He was engineer for the El Paso line from Lea county, Mexico, to El Paso, and is still their consultant. He has personally investigated Alberta. He has been over the Kicking Horse, around the Big Bend, through Kamloops and down the Fraser; also from Radium Hot Springs to Cranbrook and Trail. He put in two summers of work in various possibilities between Alberta and Vancouver and hired other firms also to carry out some of this work.

Mr. Dixon's history and his personality and his bearing before the committee demonstrated most clearly that he was no fly-by-night promoter but a sound geologist and engineer who meant business. Now, as to routes. It must be remembered that Mr. Dixon is the president of the proposed company. He appeared before the committee and outlined the five routes to which I have referred. He told the committee the Kicking Horse pass route was utterly impossible at both ends. He admitted quite frankly that he had nothing but a superficial knowledge of the Yellowhead route. He undertook to have a survey made of that route to cost some $25,000, before any application was made to the board of transport commissioners.

He had detailed information of the Canadian route across southern British Columbia through the Crowsnest pass, and on the three alternatives thereof which, as I said, dip back and forth across the line to take advantage of good topography and avoid bad topography. In that connection here is an example of the evidence given by Mr. Dixon:

> They have a route that has been constructed there through Allison pass and they estimated the cost of $4 million but it cost $12 million because, as they cut into the side hills, the hill moved across. That makes for very difficult pipe line construction. That is what makes the line more costly in going through the Canadian routes. It is just the difference in terrain.

I suggest that no one wants to be utterly obstinate in this connection. If it were considered advisable to route the line partially through the United States to get away from a condition of that sort, I wonder who would raise an objection, even on principle. It was just such detailed knowledge as that that impressed upon us the fact that Dixon had a sound scientific and practical knowledge, not only of the business as a whole but of this proposition in particular.

Mr. Dixon had fairly complete figures on the cost of construction, as complete as they could be when subject to approval as to any particular route. Mr. Dixon gave us some figures which were interesting and others which were far from pleasant. It might be interesting to note that their estimate of the cost of the all-Canadian route through the Crowsnest pass, including compressors and everything, was $92 million to be spent in Canada and $18,500,000 to be spent in the United States, or a total of over $110 million. But the figures which will be of more concern were the comparative figures of the actual cost of construction of a line from the Alberta gathering point to the Pacific coast. The figures for the all-Canadian and all-American routes were $78 million odd and $61 million odd, respectively. Whether those figures are pleasant or not, they are unfortunately authentic and we have to take them into consideration when we consider this particular proposition.

Mr. Dixon brought out evidence as to the additional cost which it might be expected

would have to be borne by consumers in the Vancouver district should it be necessary to build the more expensive line. He stated quite frankly that it was impossible to estimate exactly but that the figure would be somewhere between $700,000 and $1,200,000 which the consumers in the Vancouver area would have to pay year by year as a result of the more expensive construction. He was brought back later to this same question by the hon. member for Burnaby-Richmond, but Mr. Dixon refused to change his estimate. As I said, Mr. Dixon did not have at that time up-to-date and detailed data on the Yellowhead route. However, on the second day of his evidence when he was pressed for full details about routes he gave the following answer to this question which was asked:

> Notwithstanding the fact that the Alberta Natural Gas Company have made a preliminary survey of five routes to the Pacific coast, if the board of transport commissioners determines that one or more routes covering different areas would be to the best advantage of the Canadian people having arrived at the decision that the gas will be economically saleable on the west coast, would they be prepared to build a pipe line on some such route as the board of transport commissioners may determine?
>
> Mr. Dixon: We would.

That is both clear and unequivocal, and so is this question:

> With regard to the Yellowhead route, which has been mentioned on several occasions as being one possible route, would Mr. Dixon say that his company would be prepared to build a pipe line on the Yellowhead route if the board of transport commissioners instructed him to do so?
>
> Mr. Dixon: I have already answered that and my answer is yes.

A little later another member directed Mr. Dixon's attention to the paragraphs in the memorandum dealing with routes and Mr. Dixon expressed his opinion in these words:

> We would be willing to build on any route the board of transport commissioners would direct.

In case any hon. member may wish to raise the question that they cannot go to the board of transport commissioners and say, "You tell us which route we are to build on", I would remind the committee that they can make five or six applications. Those applications can be filed all at once—other companies have done the same thing—and they could build on the one approved. The question of routes is not quite as simple as it might appear. It does not do very much good for any of us to get up and wave our hands and say, "That route should be followed in such and such an area". We found from Mr. Dixon's evidence, and he knew, that there is a lot more involved in a route than just the building of the pipe line. There is the matter of maintenance to be considered, a matter of prime importance because gas must flow continuously through the pipe line from the time it starts to operate.

In general terms, there is no equivalent in the gas business to the emergency or reserve storage facilities available in the oil business. If a gas pipe line breaks, the service is disrupted. Not only is there no gas at the point of consumption until such time as the pipe line is repaired; it is necessary to take considerable precautions against a possible catastrophe by making certain it is safe to turn the gas on again. There is not only the cost of construction; that also is one of the reasons why the terrain through which the line must go is a matter of such real importance.

Mr. Smith (Calgary West): Will the hon. member permit a question? Are you stating that Mr. Dixon said that if there is a break away back in the line it immediately cuts off the gas to the consumer? He did not say that. The answer is that the gas piped at 1,000 pounds pressure would continue to maintain the supply for a long time and give him time to repair the break.

Mr. Applewhaite: I suggest, Mr. Chairman, that the hon. member who has taken this, perhaps his first opportunity, to address the committee on this subject might give his ideas, which perhaps may be better than Mr. Dixon's, when I have finished giving mine.

Mr. Smith (Calgary West): I asked you if you were quoting Mr. Dixon to that effect.

Mr. Applewhaite: If it is necessary for the hon. member for Calgary West to get information from me to complete his knowledge on this subject would he mind if I requested him to ask me when I have finished with the line of argument which I am pursuing at the moment, whether it suits him or not. There is another factor of this subject which up to the present has not been discussed very much. It was brought up by questions in the committee by the hon. member for New Westminster. I refer to the fact that there is a real possibility of United States gas supplying the market at Seattle and Portland. There is a very real threat that wells may come in in Wyoming which will make it practical for the United States to supply its own market. In that case it would be impossible for anybody to finance a line from Alberta to the Pacific coast of British Columbia. In that case the Americans might or might not supply the city of Vancouver and other British Columbia markets, but whether they did or did not the province of Alberta would have lost its market for the gas which at the present time it has for sale.

Mr. Blackmore: Hear, hear.

Mr. Applewhaite: There is another unfortunate feature of this subject but one which we must consider if we are going to

try to consider the matter rationally at all. If it were possible it would be a very nice thing to say: We will put a pipe line through some undeveloped or partially developed country and because that pipe line is there we will develop a country which is not developed. Unfortunately that is not possible. You have to have your market there before you can build a pipe line to serve it. On that question I should like to refer to what Mr. Dixon had to say. I have no apology to offer for quoting him because it is Mr. Dixon's company we are considering. Mr. Dixon said at page 87 of the proceedings of the committee of April 27:

> You cannot build a line relying on what might happen. You have to have your market there before you can build a line, otherwise no one will finance it. The returns are small and you cannot take the risk and have the line there eating its head off in interest and in depreciation without a market.

Either that is true or it is not. Whether we like it or whether we do not makes no difference as to whether or not it is true. Personally, with my small knowledge of Mr. Dixon's reputation, and from the apparent common sense of his remarks, I am inclined to believe that it is true. Later on with reference to Trail Mr. Dixon had this to say:

> This projected line will go through Trail, where there is already a wonderful market for gas. The figures given to us by officials from the Consolidated Mining and Smelting Company are to the effect that there will be 3 billion a year as a minimum and 5·3 billion a year that they say is possible depending, as I said yesterday, on some developments that are going on there now, whether they can use the gas satisfactorily.

Mr. Dixon's evidence showed that their proposal was to serve what might be generally termed as the Vancouver, New Westminster area. Here may I say, to avoid later misunderstanding, that he made it clear that they did not intend to build a pipe line into the Fraser valley, but that the British Columbia Electric Company desired to build a pipe line into the valley and to take the gas from the Alberta Natural Gas Company. I do not know why that should be a cause for levity. That was Mr. Dixon's evidence before the committee. They would serve the Vancouver, New Westminster area together with approximately 32,000 people in the Nelson, Trail, Rossland, Kimberley, Cranbrook area.

As to the proportion of the gas to be sold in British Columbia and to be sold in the United States, apparently that does not depend at the moment on the amount of gas available, which is almost unlimited. It depends upon what the market is. Figures on the Canadian market were presented to this company by the British Columbia Electric Railway Company which I understand will do the retailing, and by the Consolidated Mining and Smelting Company. They are as follows: The Canadian market can absorb 11½ billion cubic feet per year plus 2·3 billion if Consolidated use their larger estimate. The United States market can absorb 63½ billion cubic feet per year. It should therefore be obvious that if Alberta gas is going to be sold on the Pacific coast arrangements must be made so that it can be sold in the United States as well as in Canada.

Then there was Mr. Dixon's evidence in connection with the pipe. He supported Mr. Connolly that arrangements had been completed with both the Dominion Bridge Company and the Page-Hersey Tube Company, Canadian concerns, for the purchase of pipe in Canada, and that they had correspondence —in fact he produced it—confirming that that was possible and would and could be done. On all phases of his evidence Mr. Dixon stood up to what I think it is fair to say was a very severe cross-examination by the hon. member for Vancouver-Quadra and others. It was impossible to shake him in his knowledge, because it was knowledge, of the facts. He impressed me on the occasions where he had not any personal knowledge and refused to hazard a guess but quite frankly stated that that was a subject beyond his immediate knowledge and therefore he was unable to give a firm answer. That is the sort of thing that creates a much better impression with me than if he had held himself out as one of those people who know the answers to every question under the sun.

There is an aspect of this matter which has been bothering many Canadians, and I think quite legitimately. It is a matter that I believe should be taken into consideration. They have been worried, and perhaps with some cause, whether enough consideration was being given to the future requirements of Canada, not only the market today but what it may be ten, twelve, or some other number of years in the future. That question was put to Mr. Dixon and he had this to say at page 121 of the proceedings of the committee on April 27:

> Future needs. We have discussed and will discuss with the vital companies and authorities to try to get as nearly as possible what the consumption of gas say for the next fifteen or twenty years will be, and that amount of space will be reserved for Canada.

There is another most legitimate cause of worry to Canadians and that is the idea that possibly somehow or other it might happen that United States consumers might get their gas and Canadians might be left without gas. It has nothing to do with the order in which

various places on the line are served. There is the fear that if the line is in the United States and these outlets are in the United States it may be possible that we may sell our gas to the United States and find that we have not got enough for ourselves. That matter was brought up and at page 122 Mr. Dixon was asked this question:

> Is it a correct interpretation of that statement to say that it would give priority to the Canadian markets over the markets in the United States?
>
> A. I would like to answer your question this way: there will be a priority on the Canadian market for their potential needs, and the rest of the pipe line capacity will be reserved for the American needs.
>
> Q. It does not follow from this statement that you intend to serve markets in the order given in the statement, Alberta first, British Columbia second and the United States third?
>
> A. When you have a pipe line and there is enough gas in the pipe line, it is not a question of who gets it first. Everybody gets it. But when gas is scarce due to some calamity or break or something of that order, nearly always there is a cut-off of the industries for the moment. I think no one would object to that. There is a cut-off so that the domestic consumers can be kept going. But as far as we expect, the Canadian market, up to a certain limit which would be as large as was needed, will have the priority. We have to have it in that way because otherwise we would never get by the federal power commission. There would be two markets, one called the Canadian market and one called the American market.

So what did we of the committee get from Mr. Dixon's evidence? First, I think he established to the satisfaction of all that he is a practical geologist with experience in and knowledge of all phases of the industry. I believe he established that so completely that should any hon. member attempt to belittle the standing of Mr. Dixon now he would find that he was actually belittling himself. He established to our satisfaction that he had detailed information on five alternative routes, one of which was all-Canadian, three of which were predominantly Canadian, and one of which was all-American, and that he had no authentic information on the Yellowhead route. He undertook to our satisfaction to get that authentic information on the Yellowhead route before proceeding with the application. He demonstrated to us a full knowledge of the costs of construction, and explained to us what I for one did not realize before, the important bearing of maintenance costs on the final cost of the gas. He undertook—and it was an undertaking—that all six routes would be submitted to the board of transport commissioners, and that the route approved by the board would be followed if his company were given the right to build it. He impressed upon us the importance of terrain in connection with maintenance cost and in connection with maintaining a steady flow.

Then he did not volunteer this, but as a result of his answers he impressed upon us the imminent danger of United States competition. In other words we might wake up some morning and find that Portland and Seattle are to be supplied by United States gas producers, while we have been sitting here talking about it. He established that an existing market was a prerequisite to the construction of a line. He satisfied us that his company was prepared and intended to serve the Vancouver and Kootenay areas with pipes made in Canada; that the future requirements of Canada were being allowed for and protected, and that at the moment the Canadian market has priority.

I submit, Mr. Chairman, that as a result of the evidence given by these two witnesses before the committee on railways, canals and telegraph lines, that committee was fully justified in reporting this bill, which is the same as saying that in its opinion these incorporators were a fit body of men to be formed into a company with power to apply to the board of transport commissioners for the right to build an international pipe line.

Now may I add just one or two thoughts of my own. I suggest to the committee that this matter is of a seriousness which perhaps some have not fully realized. We are dealing with a long-term proposal which embraces the whole future, as far as fuel is concerned, of a large section of British Columbia; and the whole future, as far as markets are concerned, of an important product of Alberta. This subject is too important to be debated here with vague generalities. Certainly it is too important to be discussed on the basis of ill-founded rumours or partial and distorted truths. I suggest with great respect to hon. members that we are in danger of not being able to see the forest for the trees, that we are overlooking the main object of this whole thing. The purpose of this legislation is not to build a pipe line. The building of a pipe line is not the be-all and end-all of what we are discussing today at all. We are discussing means of getting natural gas to the Pacific coast market, and the construction of a pipe line is merely incidental to that.

Mr. MacInnis: A pretty important incidental.

Mr. Applewhaite: I grant you that it is an important incidental, since you cannot get it without a pipe line. But it might be delightful to build a pipe line anywhere. The point is that we must build a pipe line to attain this great objective of delivering gas to the Pacific coast market. Therefore we must not only consider the pipe line. We could build a beautiful pipe line anywhere and just walk away and leave it, and it would not be

worth anything. We have been so busy talking about a pipe line that many of us have forgotten that to some extent we should be interested in getting Alberta gas a market on the British Columbia coast; and I for one am impressed, and not pleasantly, by that threat of United States competition. I should hate to think we in this parliament had been in any way responsible—and I might be just as responsible as anyone else, since I am talking about the issue and not about personalities—for delaying this development so long that the Americans may decide to serve their own markets. The staunchest opponent of this bill—and there are honest opponents of it—I am sure will admit that we have to get into the United States market or we cannot build the pipe line at all.

The question of routes has come up, and I am going to make a statement that it would be much better policy for me not to make at all. That is, I am very much afraid that the Yellowhead route cannot serve the district around Trail. I wish to heaven that were not true, because the Yellowhead will come a good deal closer to my district than any route through the Crowsnest pass, but as yet no one has been able to satisfy me that they can reasonably connect the proposed Yellowhead route with the Trail district.

So for my part I am asking just this, that we allow these matters to be settled on the basis of their engineering, factual and cost data. I hope to heaven this line can and will be built in Canada, and I am very strongly of the opinion that it can and will be. But I for one am not willing to stand here and say that my pride as a Canadian will not permit them to take a dip of twenty or forty or sixty miles in the United States should it be necessary to get around Anarchist mountain or some other topographical hold-up which would add millions of dollars to the cost of construction.

Now I want to say just a word in connection with the claim that has been made that refusing to pass these bills would result in the creation of monopoly as far as Westcoast Transmission Company is concerned. That is the situation. If these bills are not passed the law as it stands today gives Westcoast Transmission Company the power—I do not say they are going to do so—to build just what the opponents of this bill do not want; that is, a line through United States territory. There has been a lot of talk and a great deal of criticism of the Westcoast Transmission Company. No one will believe me, I suppose, if I say I believe in a little honesty in debate once in a while. I am willing to admit that some months ago I was of the opinion that the Westcoast Transmission Company were, to some extent, opposing this and similar bills. To be frank, I thought that opposition might be based either on their inability to meet competition, or their fear that their plans might not, in the long run, really be in the best interests of Canada. I want to categorically absolve the Westcoast Transmission Company, or in so far as I am concerned, from any such accusation. It is not, and could not, be better stated than it was by that company's solicitor in the Senate committee on Wednesday, October 19, 1949. I would remind the house that up to that time the Westcoast Transmission Company had been opposed to this bill. On that occasion Mr. D. P. McDonald said as follows:

> Hon. Senators, the petition in opposition to the bill presented by the Westcoast Transmission Limited was prepared and based upon the fact that the proponents of the Alberta Natural Gas Company intended to build their pipe line through the United States. In the evidence which they have adduced before the committee they have indicated that they have planned a pipe line entirely in Canada and are prepared, if it is in the interest of Canada, to proceed with the pipe line in Canada. In view of this statement, the basis for the petition by my clients, which was that the interests of Canada required a pipe line to be constructed wholly in Canada before entering the United States, is not now applicable. Under the circumstances, therefore, I am instructed, with leave of the committee, to withdraw the petition as presented.

I think it would be equally fair, Mr. Chairman, at this time to meet another unfair criticism which has been directed at this Alberta Natural Gas concern. I have not the quotation but I do not think anyone will doubt that it has been suggested that this company has restated its views on this question as a result of the debate which occurred in this house during the last session, and which has been taking place during part of this session, to the effect that they were "all-American" until such time as this debate indicated it was poor business to be "all-American". That statement is also untrue because before this or the preceding debate ever commenced, on October 19, 1949, Mr. Dixon said to the Senate committee:

> One of the routes is entirely in Canada; all of the routes have a common starting point, near Pincher Creek, at a point near Yahk, British Columbia. One route follows an almost straight line from Yahk to the town of Osoyoos, hence to Princeton, then south to the border of the United States, hence to Holden, hence to Apple Grove, hence to New Westminster and Vancouver. That is the Canadian route, and it has a branch to Spokane.

Then he went on to outline the other routes just as they are at this time. It is not fair, therefore, not honest or just, to suggest that these people have changed their tune to suit some supposed political wind. I hope it is equally unfair to suggest that the opponents of this bill are opposing it because it might be found, in the long run, that some of their

pet theories are also not wholly in the interests of Canada. In so far as the Westcoast Transmission Company is concerned, I wish once more to state that I absolve them from any such idea.

It has been suggested, Mr. Chairman, that in so far as British Columbia is concerned it is becoming increasingly popular to consider turning down these bills. On more than one occasion that has been suggested to me. Presumably the inference which I should draw is that if I hope to have success in another election it would be a good plan to do that which is popular. I do not want to indulge in any heroics about this, but so far as I am concerned I am far more interested in what is right, what is good and economically sound in the long run for the provinces of British Columbia and Alberta, than I am in anything that might happen to be popular at the moment.

Mr. McIvor: Mr. Chairman, I do not live in British Columbia, but I have a number of friends and acquaintances whose judgment I respect. I find that the thing which concerns them now is not where the pipe line is to be built, but how soon they can get oil, and how cheaply they can get it. As one put it in a letter, he does not give a blank where the line is built, as long as he can get gas and oil as soon as possible at the lowest possible cost. I think the general public should know that the dominion government is not paying for this pipe line, but I believe the people who are paying for it should have some say as to where it should go. Of course I should say that this government is paying something for the pipe line, because it has to pay for this discussion and filibuster.

Mr. Harkness: Mr. Chairman, I should like to say something about the way in which this bill, and the other pipe line bill, were dealt with in the committee on railways, canals and telegraph lines. In the past five years I have been a member of quite a number of committees, but I have never seen one run in the way in which this committee was run. After we had partially, and only partially, heard the evidence of two witnesses for the one company, what amounted to a closure procedure was adopted. We were prevented from hearing the complete evidence these witnesses could have given, let alone calling any other witnesses.

The member for Coast-Capilano said a few days ago that he was surprised that Dr. Hume, the outstanding authority on natural gas reserves in Canada, had not been called. As I have said, we did not even have the opportunity of completing the questioning of Mr. Connolly and Mr. Dixon, to say nothing of calling Dr. Hume or any other expert. During the comparatively long debate which has ensued on this pipe line measure, speaker after speaker on the government side of the house has said that we should give these bills second reading and let them go to the committee. There could then be a full discussion in the committee, and members could obtain all the details. Actually, that is exactly what we did not get. It seems to me that the committee system, as I have known it during the past five years, was made a complete mockery by the way in which those two particular bills were pushed through without any reasonable amount of evidence being heard.

I have always understood that democracy is government by free discussion. The action of this committee was the complete negation of that principle. We were not allowed free discussion. We were not allowed what most of us have looked upon as our democratic right as members of parliament, the right to question witnesses who come before a committee, and secure the information we wish to have. As has been indicated before, that action was taken largely at the instigation of the member for Winnipeg South Centre. It was one which I hope he is now ashamed of, and which I hope will never be repeated in any committee of this house. The fascist and communist idea is that government by means of discussion is too slow and too inefficient. They do not allow government of that kind. We have had a taste of that sort of thing in this committee.

I was very glad to hear the speech of the member for Coast-Capilano the other night. He summarized in a complete fashion the arguments which those of us who have been opposed to these two bills have been putting forward for many months. In view of that excellent summary he gave, I do not think it is necessary for me or for anyone else to summarize again the reasons for our opposition to these two bills, and the reasons why an all-Canadian route is incontestably in the best interests of Canada and is one which we should ensure is followed by exercising the powers which we have as a parliament of altering the charters as they are presented here, to make sure that an all-Canadian route is followed.

I should now like to say something about some of the arguments that have been advanced and some of the statements which have been made by a number of the speakers during the past week. The hon. member for Edmonton West made quite a good speech. As a matter of fact, in many respects it was quite the reverse of the speech that he made previously, and I was glad to see that. Like the hon. member for Coast-Capilano, the only

thing that I disagreed with was the ending. He said he was going to vote for these bills, although he made an excellent speech which would persuade most people to vote against them.

Mr. Murray (Cariboo): That should be corrected, should it not, Mr. Chairman?

Mr. Harkness: As I copied it down at the time the hon. member for Edmonton West was making his speech he said, "We heard evidence from experts". I should like to know who those experts were. We heard the evidence of one expert—an expert—and that is all. In addition to that, we heard the evidence of another man, that of Mr. Gilman, who is an engineer. But he admitted that he had never built a pipe line. I therefore do not think that he can be classed as an expert.

The only expert we heard was Mr. Dixon. I think it is quite apparent that if you hear the evidence of one expert only you do not get a good picture. In connection with this evidence that Mr. Dixon gave, as I say, we did not have any other experts there to contest the figures he gave us or the other statements he made. Certainly the costs that he gave were unduly slanted so as to indicate that it would be considerably cheaper to build this pipe line down through the United States than to build it by an all-Canadian route, although he had never made any survey of a Canadian route except one which runs straight along the border and which goes through some extraordinarily difficult country, as anyone who has been down in that part of the world knows.

As a result, the figures given by Mr. Dixon were not, I think, ones that should be swallowed holus-bolus. Certainly they should not have been swallowed until the committee had heard evidence from some other experts either corroborating those figures and costs given by Mr. Dixon or refuting them, particularly in view of the fact that these figures and costs and so forth were quite evidently given with the idea of showing that the American route was the best route as far as that company was concerned; and it was the one they wanted to follow.

The hon. member for Kootenay East on May 1 stated that we should have confidence in our civil servants—by that, in this particular case, I think he meant the board of transport commissioners—that they will determine the best route and that we should leave it to them and trust in them to do that. That is an argument that has been given time after time here by many people. What it amounts to is that we should abdicate our responsibilities and our duties as members of parliament and turn them over to this board of transport commissioners. In my opinion, if there is any responsibility and duty that members of the House of Commons have, it is in the matter of deciding on what you might call questions of policy which are going to have an important effect on the population of this country for fifty to one hundred years in the future, at least; and this is one of those matters. It is not a matter in which we should abdicate our duties and functions and turn them over to the board of transport commissioners. It is our job to decide here whether this route should or should not be an all-Canadian route, whether in the general interests of Canada we should insist that any pipe line should be built on Canadian soil or whether we are going to decide that we will let it go any place that the people who wish to build it want to send it, get it out of Canada as fast as possible, and at the minimum amount of good for the population of Canada.

On May 1 the hon. member for Vancouver South also stated, "We must get the first use out of our primary resources, including gas." I submit, Mr. Chairman, that if we grant charters to this company or the other one to let them go ahead and build the route where it is quite clear they want to build it, namely, down through the United States, the first use of our gas is just what we will not get. We will be at the end of the tap. At any rate, the people in Vancouver will be in that position; and in my opinion, the amount of gas they will get will depend, to a considerable extent, on how much gas is needed in the United States. Certainly, on the figures which were presented to us, if this route is built down through the United States, the best that could be expected is twenty-five per cent of the gas which goes through that line coming back into Canada and seventy-five per cent of it remaining down there for use in the United States, no matter what the development along the Canadian Pacific coast might be.

The hon. member for Vancouver Centre on May 2 rose in his place and said that he took no part in getting this bill put through in the house or in the committee. If he did not take any part in it, I do not know what he was doing around the committee, all the time that we sat there, coming in and speaking to the members, giving them notes, and evidently instructing them and so on and so forth. In my opinion, he certainly was taking some part in trying to get the bill through; and he was extremely busy trying to accomplish that purpose during the time the committee was meeting.

This afternoon the hon. member for Yorkton managed to use a great many words but,

as usual, without saying a great deal. He made a statement to the effect that all of us who were here in the last parliament were in favour of the general pipe lines bill under which this charter is asked. That statement is not correct. I was here at that time. I interrupted the hon. member and stated that I moved an amendment to that general pipe line bill for the purpose of protecting the interests of the present consumers of gas in Calgary and throughout southern Alberta; and in fact throughout all Alberta, but those people in particular. But the government refused to accept that amendment. After quite a bit of discussion, they maintained that it was out of order, and it was finally so ruled; and I was not allowed to re-introduce it in another form.

I think that is sufficient to indicate that certainly all of us were not in favour of this pipe lines bill; I mean, the general pipe lines bill in the form in which it went through. As a matter of fact, looking back on it now as we who have been opposing these bills had freely admitted on many occasions, we made a serious error when that bill was put through in that there was not a clause written into it laying down that the route to be followed by any pipe line company must be indicated in their application for a charter. That was a serious deficiency. There has never been any disposition on the part of any of us to deny that it is a deficiency. Shouting at us over here, the hon. member for Yorkton says, "You agreed with the principle of this bill. You all agreed with the principle of it." Certainly, we agreed with the general principle that the pipe lines bill should be put through under which it would be possible to control pipe line companies. But that is a different thing altogether from agreeing that the particular bill which was put in front of us was a perfect bill. It was not a perfect bill. As I said, I tried to amend it. One of the most important things which could have been in it, this matter of routes, was left out. It was far from being a perfect bill. But certainly we were in agreement with the general principle that a bill to control the building of pipe lines should be passed; and the passing of a bill was particularly urgent at that time because the rapidly-expanding production of oil in Alberta at that time demanded the construction of an oil pipe line to the east. This bill had to be got through before this company could be authorized to build. It was under that urgent necessity, and because it was the end of the session—and as a matter of fact, the end of parliament was only a few days away—that the general pipe lines bill and charters for the five companies which got them at that time were all pushed through.

The hon. member for Yorkton also said: "It is no use talking about routes here in the House of Commons." He said: "We could never agree on a route." Nobody has said that we could agree on a route. We have never tried to agree on a route. Nobody opposing these two particular bills has ever tried to say that here we should lay down definitely what the route should be for these particular pipe line companies. What we have maintained, and still maintain, is that it should be an all-Canadian route. That is all we asked in the beginning. That is all we are asking now. All we are asking is that it be an all-Canadian route. All this quibbling about our not being able to decide on a route here, as to where the pipe line should go because we have not the information, is just so much nonsense. We have never maintained that that should be done. All we say is that it should be an all-Canadian route, and that would satisfy us.

I should now like to refer to the hon. member for Cariboo. I find it somewhat difficult to say anything about him. He seems to be going around like a top these days. Perhaps it would be more proper to say that he resembles a whirling dervish. He made a speech this afternoon which seemed to indicate that he is now the strongest proponent of an all-Canadian route in the House of Commons. In the past he has been making speeches pooh-poohing any ideas we had along that line.

Mr. Murray (Cariboo): That is absolutely false.

Mr. Harkness: He has been one of the strongest opponents we have had in trying to put over the idea that it must be an all-Canadian route. In addition to that, on every opportunity that he has had he voted against an all-Canadian route. Therefore, as I say, he seems to be going round and round in circles, and I cannot tell just where he is.

Mr. Cruickshank: He can't tell either.

Mr. Harkness: The hon. member for Skeena, as usual, made a very good speech. However, I am sorry to say that much of his premises and information was inaccurate.

An hon. Member: Correct.

Mr. Harkness: He started out by saying that Mr. Connolly and Mr. Dixon must have satisfied everyone in the committee that the most careful consideration had been given by them to all matters affecting the construction of the pipe line, or words to that effect. Well, what Mr. Connolly and Mr. Dixon had to say apparently completely satisfied the hon. member for Skeena, without his ever hearing evidence from any other

expert witnesses. He just took what these people said holus bolus and said: "This is what these people say; it must be right". He kept reiterating that time after time. He kept saying: "Mr. Dixon said this, and it was manifestly right. He told us this, and it is an incontrovertible fact." I do not think there is any question that we could have got two or three other witnesses as eminent as Mr. Dixon, possibly some of them more eminent, who I think would probably have flatly contradicted the assertions made by Mr. Dixon. This is another fact which shows that the hearing of only one expert witness in this committee was a very poor procedure to follow.

If the hon. member for Skeena would care to get a summary of the proceedings which have gone on for many months past this year and last year before the Alberta natural gas conservation board he would find in that a terrific mass of evidence by men who are conceded to be the greatest experts on the natural gas and oil business on this continent and perhaps in the world. If he went over that evidence he would find that a good many of the statements made by Mr. Dixon, and opinions that he has, are not shared by these other experts. I am not trying to say anything against Mr. Dixon specifically. We all know that experts are inclined to differ very frequently; particularly is that so in a legal trial where the question of insanity is involved, and the opposing sides bring in psychiatrists who state whether the individual concerned is sane or not. They always seem to be diametrically opposed in their opinions. I do not think it would be as bad as that with the experts in this natural gas business, but nevertheless there is a wide divergence of opinion on some points, and in that committee we certainly should have heard evidence from experts other than Mr. Dixon. In fact we should have had the evidence of Dr. Hume, and we should have had the evidence of at least one other outstanding geologist. But no; we were not permitted even to continue questioning Mr. Dixon.

Mr. Murray (Cariboo): May I ask the hon. gentleman a question Did I not ask that Dr. Hume be called as a witness, and Mr. Theodore Link, and Mr. Stanley Slipper and Mr. Staver of the Consolidated Mining and Smelting Company, and also a representative of the atomic energy commission of Washington?

Mr. Harkness: I would say yes to the hon. member's question, and I would ask him in return, who was it that objected to their being called?

Mr. Murray (Cariboo): The hon. member for Calgary West did not want Mr. Slipper and the other gentlemen whose names I have mentioned called. I say they will be called before the board of transport commissioners, if I have any power to call them before a route is determined.

Mr. Harkness: The hon. member for Calgary West did not oppose anybody being called. I think the hon. member for Cariboo himself will admit that the reason none of these people was called, and that nobody was called, is that the hon. member for Winnipeg South Centre proposed a motion of closure that no further witnesses be heard, and the hon. member for Cariboo voted for it. The motion will be found at page 70 of the proceedings and evidence of the committee. I will not bother reading it. A list of the names of the people who voted in favour of not calling any further witnesses appears there.

Some hon. Members: Read it.

Mr. Harkness: Here are the people who voted in favour of the motion:

Messrs. Applewhaite, Bertrand, Bonnier, Bourget, Byrne, Cannon, Carroll, Carter, Darroch, Decore, Dewar, Douglas, Gauthier (Portneuf), Goode, Gourd (Chapleau), James, Jutras, Lafontaine, Maybank, McCulloch, McIvor, Mott, Murray (Cariboo), Nixon, Prudham, Riley, Robinson, Rooney, Ward, Whiteside, Wylie—31.

An hon. Member: Who proposed the motion?

Mr. Harkness: I will read the motion:

Mr. Maybank, of the committee, moved:
That the committee adjourn until 11 o'clock, tomorrow, Friday, 28th April; that the one hour between eleven o'clock a.m. and twelve o'clock noon be used for continued taking of evidence and thereafter the committee proceed to a clause by clause consideration of the said Bill No. 7.

Then they put the closure motion and the hon. member voted for it. As I say, he is going around like a top. He tries to give the impression that he wanted to call more witnesses, and then we find him on the record as voting against even continuing to hear the witnesses we heard, let alone calling any more.

To come back to the hon. member for Skeena. He was satisfied, and he said that everybody must have been satisfied, that the most careful consideration was given to all matters. I say that is far from the truth. I was not satisfied, and many other members were not satisfied. I was not satisfied first of all as to where this gas was to come from. Mr. Dixon kept talking about getting all the gas they needed from the southern part of the province. There are only two gas fields that amount to anything in the southern part

of the province that are not being used. There is one at Pincher Creek and another at Jumping Pound.

Mr. Decore: What is the definition of the southern part of the province?

Mr. Harkness: I will come to that. The gas from the Jumping Pound field will be needed for Calgary itself during the next 30 years. I must say in fairness to Mr. Dixon that later on he said he considered the southern part of the province to be the area from Edmonton south.

Mr. Smith (Calgary West): From 50 miles north of Edmonton.

Mr. Harkness: Nobody else in Alberta considers it along that line and I doubt whether Mr. Dixon did until this question came up. The hon. member for Skeena said that there were inexhaustible supplies of gas out there. He seemed to think that the question of how much gas there was was all settled, that there was nothing else to do but to just run your pipe into the ground and the gas would flow. That happens to be far from the truth. The Alberta natural gas conservation board has not yet decided that there is sufficient gas to look after Alberta's requirements for the next fifty years and permit export. These companies are trying to persuade that board to decide that question in the affirmative, but as yet they have not. I do not think that anyone who was not interested in getting gas from these two southern fields to the United States as rapidly as possible would ever contend there was enough gas to warrant the construction of a pipe line.

Most of the gas will have to come from what we in Alberta regard as the northern part of the province, from the area around Edmonton and to the north. I have no doubt that that is where most of it will come from. I mention this matter because the hon. member for Skeena does not seem to know what the situation is in Alberta. He heard the evidence of Mr. Dixon and then considered that everything was fine. He comes into the committee of the whole and makes a great defence of Mr. Dixon. I think the hon. member is a student and I recommend that he put some study on this matter.

We heard evidence from Mr. Dixon with regard to costs, but I was far from satisfied that the cost figures he gave were correct. For one thing he stated that the cost of the gas-gathering system in Alberta, which is really an integral part of the whole set-up, would be $26 million, and he said that he based that figure on steel costing $185 per ton. When he appeared before the Alberta natural gas conservation board he gave the same figure of $26 million as the cost of the gas-gathering system but said it was based on steel costing only $150 per ton. I tried to find out from him why the figures were the same when the cost of steel was so much greater in the one case than in the other, but never got a satisfactory answer. I think that is an indication of how accurate his costing was. I think a great many of the cost figures that he gave were no more than what the succeeding witness, Mr. Gilman, called educated guesses.

Neither the Alberta Natural Gas Company or the other company would say what route they wished to follow. The hon. member for Skeena said that it was not necessary that they should state what route they wished to follow, that they could make five separate applications. That is a different story from what we got in the committee. The Prime Minister stated on Friday night that any company which put in five applications to the transport board and asked for a ruling as to which one they should follow would be laughed out of the board. As was pointed out by the hon. member for Calgary West in the committee, anyone making application to the transport board would have to state a definite route. It is just nonsense what Mr. Dixon and Mr. Gilman told us when they said they were going to apply for several routes and let the transport board decide. They refused to state what route they fancied. When we tried to pin them down as to what route they would rather follow, they would not admit any one particular route.

As the Prime Minister pointed out, they could not put in five applications to the transport board for five different routes. Naturally their application would stipulate the route that they fancy. They are going to have to declare themselves, but we could not get them to declare themselves. I submit that the witnesses were not entirely frank with the committee, as some people would have us believe they were.

According to Mr. Dixon, Vancouver will require only 8 million cubic feet of gas per day. The city of Calgary uses some 20 million cubic feet of gas per day. Vancouver, with a population two or three times that of Calgary with the towns to the south including Lethbridge, is to get less than half the amount of gas. That is just ridiculous. Figures like that indicate that this particular company either is going to give Vancouver and the surrounding area the absolute minimum amount of gas and use the rest for the United States cities, or their figures are not just right. I think everyone will agree that Vancouver with its large population is bound to use more than forty per cent of the amount

consumed by Calgary. That was another point raised in Mr. Dixon's evidence which I was not able to swallow.

This debate has been going on for some considerable time, but I think it has served its purpose to a large extent because it has provoked a large amount of public interest in this question of whether these pipe lines are going to go through Canada. I am convinced that the people who want to build these pipe lines through the United States will by the force of public opinion never be permitted to do it. Therefore this so-called filibuster has served an extremely useful purpose in that it has kept this question before the Canadian people for about a year and has mustered so much public opinion behind it that our future supplies of gas will be conserved for the use of Canada first, with the surplus going to the United States.

Mr. Jones: Mr. Chairman, I listened with interest to the hon. member for Skeena and the hon. member for Kootenay East who made reference to the proceedings of the committee and apparently they were satisfied with what occurred there. I was far from satisfied myself because I felt that for a committee of that nature to call just one witness, the president of the company, an interested party, was not dealing fairly with the members of the committee. We could not get at the facts. We could not possibly get the truth from an interested party. We needed corroborative evidence, and we did not get it. We were blocked from calling such evidence.

I look at it this way. While the bill before us deals with a pipe line for gas, I look upon it as dealing with the lives of people. I look upon it as dealing with the lives of the people of British Columbia, their future welfare and the future development of that province. In my mind it has resolved itself into a question of whether we are to develop the state of Washington to the south of us or our own province of British Columbia. On it depends not only the material prosperity of our province but the future welfare of our youth as well. I know full well, as does everyone in this committee, that if these industries are developed in the state of Washington and not in British Columbia our youth will follow these developments, cross the border and become United States citizens. The only way we can keep them in Canada and make them good citizens is to see that their future is protected by having this vast energy, now about to be released for the use of man, made available first for the use of the people of British Columbia now and in future generations.

I was pleased to hear the hon. member for Coast-Capilano express his thoughts regarding the proceedings in the standing committee. I had the same reaction. I realized quickly that British Columbia was being sold down the river in the light of the evidence of so-called experts of both companies. I am not questioning their integrity but I do question some of the evidence we are asked to accept as to their work in surveying a route in British Columbia. I should like to quote from the evidence of one expert. At page 213 of the proceedings of the committee he was asked the following question:

> Q. In connection with the Yellowhead route the only observation you made was when you went through by train?—A. That is right.
>
> Q. Now, I just want you to answer this question. How fast was the train going when you were making those observations?—A. Oh, about 20 to 25 miles an hour.

That, Mr. Chairman, is the type of evidence submitted to show that this company had some interest in putting through an all-Canadian route. The expert travelled over the Yellowhead route at 25 miles an hour and made pencilled notes from a train window. I do not know whether it was at night. We did not ask that question. The result is that they are not prepared to go before the board of transport commissioners with a proposition to build a pipe line along that route. Naturally I question such things. It does not appeal to me as common sense.

I realize, having listened to the evidence given by these experts, that the people of British Columbia are being sold down the river. The hon. member for Coast-Capilano pointed out that we already have three railways making the crossing through the Cascades, Selkirks and Rockies between Alberta and British Columbia. I am not sure whether there are two or three completed highways. There are already routes in existence crossing the Rockies and the other ranges, and each of them is capable of accommodating a pipe line route at the side thereof from Alberta to British Columbia. Naturally there are one or two routes suggested. I appeal particularly to members from the eastern provinces to consider seriously how they are going to vote on this measure. Members from British Columbia know their own province far better than members from eastern Canada. We know the terrain, we know the difficulties we are up against, and we are satisfied that the proposal to follow an all-Canadian route is a sound and feasible plan. Because of their lack of knowledge we appeal to them to take our word for it. I am sorry that they cannot get expert evidence on the matter because the work of the committee is now completed. On this basis I am asking them to support our provincial government and the people of the province of British Columbia against the financial

interests who seek to build a pipe line for profit rather than for the assistance of our people.

I should like to commend the Vancouver *Sun* and the Vancouver *Province* for their assistance in trying to get the pipe line constructed through our province. I should like to commend particularly the hon. member for Vancouver-Quadra and the hon. member for Fraser Valley for the attitude they have taken, and especially the Vancouver members for their support of an all-Canadian route. It is quite possible that Vancouver could get cheaper gas by some other route, but Vancouver, one of the most prosperous cities of Canada, has become so because of the fact that the interior of British Columbia has made it so. We supply it with goods that are shipped out of there by rail, boat and aeroplane. We have kept it going for some generations. They know that a prosperous interior means a prosperous Vancouver. Some of the members from that city realize that. The city council realize it and fully endorse what we are trying to do. The provincial government has endorsed our proposition on behalf of the coast cities. Today I have received the endorsation of the council of the associated boards of trade of the whole of British Columbia. I do not propose to read the resolution, but it is endorsed by every board of trade except those on Vancouver island who were not at the meeting. They ask that an all-Canadian route be designated.

Mr. Murray (Cariboo): Will the hon. gentleman read the resolutions from the associated boards of trade of British Columbia?

Mr. Argue: Read them. That will take forty minutes.

Mr. Jones: The first resolution is submitted by the associated boards of trade of the Fraser valley and lower mainland to the council of the associated boards of trade of British Columbia and reads:

> Whereas applications are before authorities for the approval of route for natural gas transmission line from Alberta to the British Columbia coast; therefore be it resolved that the associated boards of trade of the Fraser valley and lower mainland request the government of the province of British Columbia to give full consideration to the location of the said transmission line so that it may serve the greatest possible number of communities in the interior of British Columbia, thus stimulating the expansion of industry throughout the province.

The next is a resolution submitted by the associated boards of trade of the southern interior to the council of the associated boards of trade of British Columbia concerning the route of the line. It reads:

> Whereas the route chosen by the Westcoast Transmission Company through the Peace river district and south through Prince George and the Fraser valley to Vancouver would benefit more people in Canada, especially British Columbia; therefore be it resolved that the associated boards of trade of the Fraser valley and lower mainland appeal to the other boards of trade throughout the province of British Columbia to unite in getting the provincial government and our federal members to advocate the route of the gas pipe line through central British Columbia to Vancouver.

Then there is this footnote applying to the two resolutions:

> Both of these resolutions, considered as one at the discretion of the chair, were unanimously endorsed by delegates from all portions of the province excepting Vancouver island which was not represented, and are respectfully submitted for your consideration.

I am fighting for an all-Canadian route, not necessarily that particular route, although that will suit me fine.

Mr. Murray (Cariboo): You are opposing the boards of trade of the Okanagan.

Mr. Argue: You talked this afternoon.

Mr. Jones: I read the resolutions.

Mr. MacInnis: Why did you not quote the resolutions?

Mr. Murray (Cariboo): I submit that this resolution of the boards of trade of the province of British Columbia expresses the opinion of responsible businessmen.

Mr. MacInnis: What is wrong with that?

Mr. Jones: He is going contrary to it.

Mr. Argue: He cannot understand English.

Mr. Jones: Again I say that, unlike some members, the route of the pipe line means a great deal to my riding and I intend to fight for it in spite of other ridings that are not so keen about it. During the discussion of this all-Canadian route I was alarmed to find that the so-called expert had no idea that the Okanagan valley existed and that roughly 120,000 people lived there. He had not thought about it, had not surveyed it, did not even know where it was. So I claim that anyone coming before this house talking about an all-Canadian route who does not know of the existence of that potential market has not given the matter a great deal of thought. In other words I believe the all-Canadian route was an afterthought, when they found the strenuous objection to such a route not being included in their proposals. And, as I pointed out, you cannot survey a route of that kind, through mountainous country, bogs and so on, from a train or car or plane. It has to be done on foot to be done properly, and this has not been done in the case of a single route through the interior of British Columbia by either of the companies whose bills are being considered.

It is true that figures were given as to costs, but that was merely guesswork. In spite of the statement made by the engineer the shorter mileage involved in an all-Canadian route would more than make up for the extra cost. Whether it is built in British Columbia or in the state of Washington, the terrain is just about the same. You still have to overcome the Rockies, the Cascades and the Selkirks. They are practically the same in Washington and British Columbia; and actually the highest pass traversing the mountains to the coast is not in British Columbia but in the state of Washington.

For the past year we have been told that all our questions would be answered in committee. Like many other hon. members I hoped this would be true; but when we reached that committee we found it was not the railroad committee but the railroading committee. Certainly they railroaded it through without proper witnesses being called. Personally I doubt whether a serious survey was ever made of an all-Canadian route, from the evidence submitted. I am sure no survey of the potential market has been carried out, because even Nelson was an afterthought, though Nelson would be convenient to the route whether it went through British Columbia or through the United States.

Apparently this committee of which I was a member had no power to specify any route, or to change the bill in any way. We did not even have power to recommend a route. The only power we had was to listen to the evidence. Why that was so I do not know. I think it was a sheer waste of time for two or three days. And I claim the board of transport commissioners does not have a great deal more power. It has the power to scrutinize carefully and in detail all applications for licences, but that is all. It cannot say, "You must build through the Crowsnest pass" or by any other route. They are not engineers; they do not have a staff of engineers who have on file the details of various routes across Canada. They rely entirely upon the application being made at the moment, and the map accompanying that application. They must take it for granted that the data on the map is accurate, and it is on that basis that approval is given. It is not a matter of whim of the board, saying, "We do not like that route. We prefer the more scenic highway around Big Bend, so you must build in that direction." That is not it at all.

Frankly I am in a quandary as to the body that does control this matter of route. I have a very interesting article here on the same subject in *Oil in Canada*, a Canadian weekly which claims to be the most widely read authority on Canadian oil, published in Winnipeg. It says:

> In the House of Commons last Thursday, Hon. C. D. Howe, Minister of Trade and Commerce, is reported by the Canadian Press to have said that the government will not allow Alberta natural gas to be exported to the United States before it reaches potential consumers in neighbouring British Columbia.

Then, after conveying the idea that the minister can determine the route, it goes on:

> The Pipe Lines Act passed last year gives the board of transport commissioners authority over routing of lines, while parliament has control over incorporation of companies.

Se we have two possible controls over the route. Then at the end the editorial states:

> The Alberta government has full control over the export of natural gas by its own legislation. Surely it is in a far better position than any other government or any potential consumer to judge what is the best method of dealing with its own natural resources.
>
> The promoters of natural gas pipe line companies are familiar with the economics of supply and demand and the effect of construction costs on operating results. So far as we can recall, there has never been any suggestion that the Alberta government can't deal properly with the technical problems involved in making a decision whether to grant permission for gas export once a charter has been granted to a company.

So we have the committee, which I thought had power but had none; we have the board of transport commissioners, which I thought had power but apparently has not. Then we have the Minister of Trade and Commerce, who thought he had power, but apparently he has none; and the Alberta government have come out definitely and claimed they do have the power. But I have another statement that confuses the issue still further. This is from the Vancouver *Province*, headed "Mayhew backs Canadian route". It is quite an article, in which the Minister of Fisheries favours an all-Canadian gas pipe line from Vancouver to Alberta, and thinks an all-Canadian route will finally be selected. But he says it will be the people who buy the stock in whichever company builds the line who will determine the route. So now we have five groups claiming to have that power. According to the Minister of Fisheries it is the stockholders, but we also have the Alberta government, the Minister of Trade and Commerce, the board of transport commissioners and the standing committee of this house. All the time the logical body to have that power is the parliament of Canada. We are the supreme body, and that power should be re-invested in us if we have turned it over to anyone else.

In the circumstances all I can do is appeal to whoever has the power to see that an all-Canadian pipe line is put through. Let me

quote still another point of view. I have mentioned five people or groups presumed to have some power over this route, but the hon. member for Vancouver South believes that public opinion will have that power, though just why I do not know. The hon. member said he had a great deal of faith in the petroleum and oil conservation board of Alberta. He intended to vote for these bills, but said he was going to do his best to build up an opinion in British Columbia that would demand that before any gas was exported to the United States the line proceed to British Columbia and end in Vancouver, as far as Canada was concerned. But this is the time to do that, not after the charter is granted. These people will not care a tinker's cuss about British Columbia once they have their charter. They are out for profit; and we must agree at once that the most profitable route is through the United States. But we are building our country for our youth, not for profits, and I claim our proposition is the proper one.

I was rather amused at the retort of one of the parties making application before the committee. He had been making obviously vague statements as to the route, and upon being asked for details, and why he was guessing at the cost price in Vancouver and the cost of the route without a proper survey, he said, "Well, it is like a horse race and I am entering a Canadian horse in this pipe line race." It seems to me he had a lot of donkeys to compete against. I do regret the lack of independent expert testimony before the committee. I am not questioning the integrity of the witnesses who did appear, but I do question the opinions given, because they were expressed by men who want to build a pipe line. If the committee pressed hard on any point they would agree to anything. After getting the charter they would agree that they would start to survey the Yellowhead route. I submit, Mr. Chairman, that such an obliging company as that is attempting to get our support in order to be done with the committee. They realized we were just a nuisance, and had no power.

What evidence have we that the company intends to build a Canadian route? A defence has been made tonight of Mr. Dixon. I am not questioning Mr. Dixon's character, but I do suggest that a closer reading of the evidence submitted by Mr. Dixon will not indicate one iota of evidence that shows this company intends to build a Canadian route. As I pointed out, part of the survey was made by train, part by car, and part by odd trips to here and there. Most of the evidence was based on a superficial knowledge, and in view of that I question it.

[Mr. Jones.]

On Friday the Prime Minister stated that our protection is in the fact that each applicant has to file with the board of transport commissioners a map of the proposed route. That is quite true, and that is what we are worried about. If any company is granted a charter by this house, it is free to submit any one route. There is no compulsion whatever. It goes to the board of transport commissioners as a business concern with a business proposition. I am satisfied from the evidence submitted by this company that it will favour the route through the United States. I know when the company comes to sell its shares the subscribers will not be satisfied with the evidence we got. They will want more detailed information and they will get it. In the action of the United States banking company I mentioned, which is prepared to underwrite the whole concern, you have an indication that United States people are interested in the route and the ultimate profits that will be derived from the undertaking.

In parliament we are supposed to protect the subscribing public, and also the consumer. Apparently we cannot assist either one. We cannot protect the subscribing public because we were limited in the committee as I pointed out, and we cannot protect the consumer because there is no rule that an applicant has to prove to us the price at which the commodity will be delivered at any given point. As I said before, we are wasting time because we lack powers. I am sorry that the Canadian National Railways did not see fit to enter this field, and render the service on a national basis, just as the railway does. It is the logical thing for a railway company to do, and not to wait for United States capital to come to our province.

Another statement with which I take issue is the statement made by Mr. Dixon that it does not necessarily follow that commercial development follows a pipe line. I should like to point out to him that history in the United States has proven that the different towns along the route of a pipe line have immediately been a source of interest to industries, and vast empires have been built, particularly in Texas and southern California. I should like to draw to the attention of the members a booklet which they found on their desks, entitled "Canada's Oil, Edmonton Centre". On the second last page—I am not going to read them—there are indicated the industries that are available if power and raw materials are available. In Edmonton they have the power, but they lack the raw materials. In British Columbia we have the raw materials, but we lack the power. The evidence on these two pages will show hon.

members the industries I have in mind that could be established on a prosperous foundation in British Columbia.

We have another vast interior area, the Cariboo. I really believe the Cariboo area has great possibilities. If the pipe line traversed the centre of that part of the country, one would find that these vast plains and undeveloped mines would develop rapidly. I frankly believe that if the member for Cariboo would support us in our contention that the pipe line should go through that area, he would be doing a service to his own constituency. The tendency today throughout the world, owing to the unsettled nature of our economy, seems to be to decentralize industry. I think you will find that condition, even in England, where the area for decentralization is very limited. Efforts are being made to take industries into places like Holyhead and Bangor in Wales. I saw them myself last summer, scattered all over the country, in order to bring an element of safety in case of war. The same thing applies to Canada. Industry should be taken away from the big centres such as Vancouver, Seattle and Tacoma. They should be moved into the interior where the raw materials are. It would be safer from the national point of view; conditions for the workers would be healthier, and it would be a cheaper haul for the raw materials.

By routing this pipe line through British Columbia, we would not only be increasing the earning power of our province, but we would be getting more revenue for the provincial government through income, provincial and corporation taxes. We could increase the population of British Columbia and give the people economic security.

I am going to ask the eastern Canadian members, and particularly the members who have not given this bill a great deal of thought, to consider how they should vote. The Prime Minister has said that the vote is free, and I appeal to you to use your free vote to do something for a province that is appealing to you for assistance. The councils of every town in British Columbia, the provincial government and the Legion in every town have endorsed our stand. The press of the province is behind us. I ask you to heed this and do what your conscience tells you is right. We are fighting for the province of British Columbia. Last year the proposal to build a bridge over the Canso strait was brought before us. The members from British Columbia did not question the need for the bridge or the cost of it. We felt that the people in that area knew far better than we did what their own needs were, and we were prepared to support the measure. We know our needs, and we are appealing to you to treat us in the same manner as we treated you on the question of the Canso bridge.

I know the statement has been made that a monopoly is liable to be created if these two companies do not get the line. But again, I should like to quote to you from the Minister of Fisheries, referring to the three companies proposing to build a pipe line from Alberta to the west coast. The minister said:

> "I'd give them all their bills. They're all alike to me, and if one fellow comes along and says he'll build an all-Canadian route, that's the fellow I'd give it to."
>
> The minister said: "If one fellow says he can build an all-Canadian route, there's no reason the others couldn't. They'd have to show us why they cculdn't build it through B.C."

But the minister says:

> Everyone knows there will be only one pipe line . . .

In British Columbia.

When you charge this particular company, which now holds the charter and is prepared to build through British Columbia, with having a monopoly that has no competition, I claim that from the statement of the minister himself it would appear that it is not a question of monopoly, but of which company is going to get the monopoly. Personally, I do not care which company gets that monopoly. Apparently it is predetermined that it shall be a monopoly; but I am satisfied that whichever company gets the final charter to build through British Columbia, it will have the blessing of a million people in that province.

Mr. Sinnott: It is not my intention, Mr. Chairman, to take up many minutes tonight owing to the fact that, from listening to the debates on pipe lines over the last two years, one could almost believe that almost everything about pipe lines could have been said in that time.

I must congratulate the hon. member for Skeena who tonight covered the question of pipe lines, pipe line building, charters and so on from one end to the other. My purpose tonight in saying a few words is to make clear my intention with regard to how I will vote and why. It has been pointed out that one of these charters has been given to the Westcoast Transmission Company, and it seems only logical that these other two companies should be given these same opportunities. Because one company has been given a charter is no reason to believe that it will be the one which will receive the final say from the Alberta government. Believing in competition as I do, I therefore think these three companies should have the same opportunities. After this vote is taken, if the house then desires a Canadian pipe line, I

believe they should turn their attention to the amendment which I have brought forward in Bill No. 132, which reads in part:

. . . a map showing the general location of the proposed line whereof the main line shall be located entirely within Canada.

If we pass these two applications which are before the committee, and then amend the Pipe Lines Act, which is the intention of my bill, I think it will take care of any further discussion.

Mr. Drew: This debate, Mr. Chairman, has in some ways been one of the most reassuring things that has happened in this country in quite a long time. Two private bills, or what were described as private bills, came before the last session of parliament. When they were presented as private bills it was suggested that it was a waste of time for anyone to point out that they should be dealt with in another way. When members tried to get some definite information as to exactly where these pipe lines were going and some assurance that our own Canadian interests would be served first, those who raised those points were told that they did not have much faith in their own committees or in the board of transport commissioners and that those were mechanisms that would protect the public in regard to these things.

From time to time members of the government have shown some irritation that this debate should continue, both during the last session and in the present session. The debate has been called a filibuster and, on certain occasions, the suggestions have even gone so far as to imply that those who were opposing these two private bills, in their present form, were serving some particular purpose and were seeking to establish a permanent monopoly in the hands of Westcoast Transmission Company which, by mistake—and it was by mistake—got a charter last spring at a time when this house was dealing all too hurriedly with certain public business, under assurances which were not fulfilled. That point I should like to recall, because it has a definite bearing on the discussion that is now taking place. At a time when everyone knew that we were in the closing hours of the last session, the overriding pipe lines bill was introduced, and along with it four bills to incorporate pipe line companies.

Mr. Green: Five.

Mr. Drew: I will correct myself; several bills to incorporate pipe line companies were introduced. In the case of the Interprovincial, assurance was given that this was for the purpose of carrying oil to the refineries in eastern Canada, and that the reason that the pipe line in that case was going to Superior in Wisconsin rather than to the lakehead in Ontario was that of the economy and saving that would be effected.

Mr. Knowles: We did not find it out until after the election.

Mr. Drew: What we did not find out until after the election was that the main purpose behind its going to Superior was so that oil could be exported to the Chicago area in the United States, and that while undoubtedly oil will be shipped to eastern Canada—

Mr. Knowles: I wonder if the leader of the opposition would permit me to make clear the point of my interruption. My point is that we did not know at that time that the route was going to go outside Canada at all. All we were going to build then was simply a route from Edmonton to Regina and down to Winnipeg. It was only in the summer that we learned that it was to go down to Superior.

Mr. Coldwell: After the election.

Mr. Drew: The hon. member who has just spoken is correct. No detail was given until later as to the fact that it was going to Superior. But when that information was given, and when that was put before the board of transport commissioners as a reason for getting that route, the assurance was then given that this was an economy in shipping the oil to eastern Canada. At the present time we have two bills before us which we have been discussing all the way through as gas pipe line bills. Let us remember that these are oil pipe lines as well. The bills cover both oil and gas. As to whether gas or oil will be the main commodity carried in these common carriers only those who have the ultimate responsibility of operating the pipe lines can possibly tell. Both commodities are produced in the same area.

One of the reasons I said that this had been a very reassuring debate is this. Hon. members, who a comparatively short time ago were extremely critical of those who asked for any information and for assurances that Canadian interests were going to be served, have with great frankness and after very careful analysis of what took place before the committee stated that they are not now satisfied with the information that came before the committee, and that they are going to oppose these bills because of the way in which the information was withheld in the committee on railways, canals and telegraph lines. That in itself is a demonstration that we have seen right here of democracy working, where the public have an opportunity to understand what is taking place, to express their opinion, and through that expression of

opinion to convey their own desires to the members who represent them in this house. There is much to be said for a procedure which gives the public time to understand exactly what we have before us for consideration here.

Hon. members will recall that when these bills were before us for second reading during the present session the Minister of Trade and Commerce, on more than one occasion, said that he could not understand the reluctance of hon. members to let these bills go before the committee on railways, canals and telegraph lines, where it would be possible to get all the essential information in regard to these proposed operations. Finally the bills did get second reading; they went before the committee, and hon. members who previously were supporting the bills have come into this house and have said that no real information came before the committee upon which they could say where these pipe lines were to go and whether the Canadian interests were being protected. By devices that have already been described in very unflattering terms by those very hon. members who previously supported these bills, the committee completed its work and the bills are now before the house.

On Friday the Prime Minister came back and we have a new appeal to the house. The committee has done its work. This is what the Prime Minister said to us. We should pass these bills so that they could go before the board of transport commissioners, where maps must be submitted and where details must be fully examined. That is the next stage. Hon. members were asked to give up their responsibility in the first instance to let this go before the committee on railways, canals and telegraph lines, and they know the results. Now that the committee on railways, canals and telegraph lines has done its job and kept information from hon. members and from the public, hon. members are asked to pass these bills and leave it to the board of transport commissioners to do the job that we should do here. I submit, Mr. Chairman, that this is an affront to parliament. Either we have some judgment to exercise and some responsibility to assume or we have not. If we have no responsibility, these bills should not be before us. If we have no responsibility then, as has been previously stated, this should be dealt with by the Department of the Secretary of State and ordinary company charters should issue, and this should be dealt with without any pretence that members of parliament are passing judgment upon a matter so important as this.

But there is one point that has not been sufficiently discussed, and I do not believe it has been emphasized at all. The government has the final responsibility, and the government is answerable to parliament. There is an act of great importance which was passed in 1907, and it is still on the statute books. It is known as the Electricity and Fluid Exportation Act. Section 5 of the act reads as follows:

> No person shall export any power or fluid without a licence, or any power or fluid in excess of the quantity permitted by his licence, or otherwise than as permitted by such licence.
>
> 2. No person shall, without a licence, construct or place in position any line of wire or other conductor for the exportation of power, or any pipe line or other like contrivance for the exportation of fluid.

That is a positive prohibition. Section 6 reads:

> Subject to any regulations of the governor in council in that behalf, the governor in council may grant licences, upon such conditions as he thinks proper, for the exportation of power or fluid where a right to export exists by lawful authority.
>
> 2. Such licence shall be revocable upon such notice to the licensee as the governor in council deems reasonable in each case.

An hon. Member: Eleven o'clock.

The Deputy Chairman: I am sorry to interrupt the leader of the opposition, but it is now eleven o'clock. Unless he has unanimous consent he cannot continue.

Mr. Drew: If I may add one sentence to give meaning to that, it would not take me thirty seconds.

The Deputy Chairman: Has the leader of the opposition unanimous consent to continue?

Some hon. Members: Go ahead.

Mr. Drew: I think it would give meaning to these sections if I added this. These two sections mean simply this. Under the Electricity and Fluid Exportation Act of 1907, which is still in force, the government, which is the executive of this House of Commons, has the full responsibility for determining where a pipe line should be laid, whether it shall be laid, and under what conditions it shall be laid, if that pipe line in any way is to be used for the export of oil or gas. That brings the responsibility today, as it was then, right back to the government; and before any hon. member should vote on a pipe line bill the government should state its policy in definite, unqualified terms, and I believe that policy should be a clear statement of Canadian rights first, definitely assured, before any consideration is given to the exporting of these great resources upon which future development will so largely depend.

Section stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Mr. Speaker, tomorrow we will move to go into supply with the hope of voting on the amendment of the leader of the opposition. If we are successful we will call three departments, post office, national health and welfare, and public works. For some time we will discuss the question of the denial of mail service to certain persons, which was brought up before. We would hope to take up certain small bills, the first being Bill No. 12, respecting grants of public lands, in the name of the Minister of Resources and Development. The second would be Bill No. 81, respecting crown lands in Yukon Territory and the Northwest Territories. I might interject to point out to the leader of the opposition that this is not the bill he had in mind. He had in mind Bill No. 90, to amend the Northwest Territories Power Commission Act. I have looked at that act and find it has only two sections and perhaps we can take that one up as well. That would be three small bills in the name of the Minister of Resources and Development.

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

HOUSE OF COMMONS

Tuesday, May 9, 1950

The house met at three o'clock.

VILLAGE OF CABANO

REFERENCE TO DISASTROUS FIRE—REQUEST FOR FEDERAL ASSISTANCE

Mr. Jean François Pouliot (Temiscouata): Mr. Speaker, I have learned with great regret that there is another disaster in eastern Canada. Fire is raging at the present time at the village of Cabano in my constituency. The Red Cross is sending supplies to help the people, and I ask the government to do all they can to send help to stop the fire and assist those who are victims of it. I hope something will be done at once for these people. I extend to them my sympathy, and express the hope that the fire will soon be under control.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I can assure the hon. member for Temiscouata that the government wishes all Canadians to be treated alike, and that, under conditions which require aid, immediate instructions are given to all federal services to provide as much emergency aid as they can. The Minister of National Defence will state what has been done since news was received of the fire.

(Translation):

Hon. Brooke Claxton (Minister of National Defence): Mr. Chairman, like all members of the house I am very sorry to hear of this terrible disaster. Local authorities have requested our help and troops are already on their way to bring assistance.

Mr. Pouliot: I wish to thank the right hon. the Prime Minister (Mr. St. Laurent) and the Minister of National Defence (Mr. Claxton) for their kind willingness to help the sorely tried population of Cabano.

(Text):

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 182, for the relief of Jack Elmhirst Webster.—Mr. Winkler.

Bill No. 183, for the relief of Annie Kwiat Maislin.—Mr. Winkler.

Bill No. 184, for the relief of Douglas Charles Blair.—Mr. Winkler.

Bill No. 185, for the relief of Therese Simonne St. Onge Laurier.—Mr. Winkler.

Bill No. 186, for the relief of Carmen Emily Adelle McCoy Jackson.—Mr. Winkler.

Bill No. 187, for the relief of Helen Alma Lambert Anderson.—Mr. Winkler.

Bill No. 188, for the relief of Bertha Marks Cohen.—Mr. Winkler.

Bill No. 189, for the relief of Stella Margaret Rollo McKee.—Mr. Winkler.

Bill No. 190, for the relief of Helena Matyla Martyniak.—Mr. Winkler.

Bill No. 191, for the relief of Marie Rosanna Emelda (Imelda) Lecomte Bolduc.—Mr. Winkler.

Bill No. 192, for the relief of Rose Slosarczyk Bydlinski.—Mr. Winkler.

Bill No. 193, for the relief of Helen Meadows MacNaughton.—Mr. Winkler.

Bill No. 194, for the relief of Walter Kerr Dow.—Mr. Winkler.

Bill No. 195, for the relief of Thora Yvonne Easy Weaver.—Mr. Winkler.

Bill No. 196, for the relief of Robert Cohen.—Mr. Winkler.

Bill No. 197, for the relief of Ruby Gladys Burns Thornhill.—Mr. Winkler.

Bill No. 198, for the relief of Joseph François Xavier Beland.—Mr. Winkler.

Bill No. 199, for the relief of Joseph Neist.—Mr. Winkler.

NATIONAL RESEARCH COUNCIL

QUESTION AS TO SALARIES OF VICE-PRESIDENTS

On the orders of the day:

Mr. G. K. Fraser (Peterborough West): On May 4 the parliamentary assistant of the Minister of Trade and Commerce told me that on the following day he would give me an answer on the orders of the day as to the salaries of the national research council vice-presidents.

Mr. G. J. McIlraith (Parliamentary Assistant to the Minister of Trade and Commerce): The salary being paid to the vice-presidents of the national research council is $10,000 a year.

FISHERIES

NEWFOUNDLAND SALT CODFISH—QUESTION AS TO GUARANTEED PRICE

On the orders of the day:

Mr. G. F. Higgins (St. John's East): I wish to direct a question to the parliamentary assistant to the Minister of Fisheries. What action does the government propose to take

with respect to the setting of a guaranteed price to fishermen for Newfoundland salt codfish for 1950?

Mr. J. W. MacNaught (Parliamentary Assistant to the Minister of Fisheries): The hon. member for St. John's East was kind enough to telephone me and to send me a copy of his question. In reply thereto I wish to say that the world prices of salted codfish have remained through 1949 above wartime levels, while the prices of other primary products have had some downward adjustment. The world supply of salt codfish is still below the pre-war normal, and the people in the consuming countries are anxious to have this kind of diet. The going prices for 1950 will be determined by the output in other producing countries, such as Norway and Iceland, as well as Canada, and by the demand situation overseas during the year.

The fisheries prices support board has had and will continue to have this situation, as it may affect the Canadian salt fish trade, under the closest review. In the light of unfolding conditions and any needs that may later arise, the board will recommend to the government the course of action it believes the situation then calls for.

Mr. Higgins: The parliamentary assistant is aware of the present situation in Newfoundland and the need for price support now?

Mr. MacNaught: The officials of the fisheries prices support board are keeping in constant touch with the situation in Newfoundland.

UNEMPLOYMENT INSURANCE

STATEMENT AS TO EXTENSION OF SUPPLEMENTARY BENEFITS

On the orders of the day:

Hon. Humphrey Mitchell (Minister of Labour): Yesterday the hon. member for Cape Breton South (Mr. Gillis) asked if the government had been requested to extend the date for the payment of supplementary benefits under the Unemployment Insurance Act. These benefits, by an amendment to the act approved at this session of parliament, were to lapse as of April 15.

I may say to the hon. gentleman that some municipalities did ask if the benefits could not be continued until a later date; I think May 31 was mentioned in one instance. However, we felt that we could not do this because of the special provision that had to be made to take care of the cost of the supplementary benefits up to April 15. We have also been watching the employment situation, and indications are that there are now increased opportunities for employment. As hon. gentlemen know, the act as amended provides for supplementary benefits in future years, to those qualified, covering the period January 1 to March 31.

Our main efforts now are concentrated on getting men and women back into gainful employment.

SUPPLY

COMMUNIST ACTIVITIES IN CANADA

The house resumed from Wednesday, May 3, consideration of the motion of Mr. Fournier (Hull) for committee of supply, and the amendment thereto of Mr. Drew.

Mr. Rodney Adamson (York West): Mr. Speaker, when I moved the adjournment of this debate last Wednesday I stated that one of my reasons for wishing to speak was that I had been the first member of the Canadian parliament to advocate official recognition of the Soviet government. I did so on February 3, 1942, at page 299 of *Hansard* for that year, in these words:

> I suggest that we should immediately take steps to recognize the government of the Soviet union . . . We should welcome in this country a Soviet military mission and should send one of ours to Russia. I believe we have much to teach them, and it is more than likely that they have much to teach us...
>
> The Russians have been the first people to meet and defeat the blitzkrieg. It is to them we must look for the initial destruction of the German land forces. Their magnificent heroism has sent the brazen horde reeling in disorder from their capital. Today the Soviet power is the second or third most important in the world. Soviet Russia and Canada are near neighbours; we are both northern people living in an extreme climate; we both have a great country to develop. Yet one would think it was almost indecent to mention Russia . . .
>
> I am not afraid of the spread of communism in Canada, if we treat Russia as a full ally and welcome members of her armed forces in the same way as we do those of any of the other "united nations." I should like to see a Soviet legation at Ottawa; the hammer and sickle should fly proudly at the masthead instead of being considered an emblem of somewhat questionable morality . . . to refuse to recognize this great power is building up trouble for ourselves and is going to give great aid to subversive elements which are even now at work trying to undermine the security of the state. We are going to have to admit that the Soviet philosophy exists and that it has done great things; let us admit it openly and above the broad tables of government rather than have snivelling, subversive agents peddling anarchist literature to the adolescent minds of the students in our schools, universities and training camps. We have seen what anarchy has done in other countries. It can happen here.

The point stressed, it will be seen, was that official recognition of Soviet power, and, by association, of the communist party, would bring communism into the open, and any actions of communists or of the party therefore would be fully exposed to the public view. My point was that communism would then be considered as a system of government which, while we did not agree with it, had

every right to co-exist with our democratic and free parliamentary system. This view was widely held at that time, even by such persons as the President of the United States and Winston Churchill. The fact that two communist members were elected to this House of Commons in the nineteenth and twentieth parliaments shows how far official acceptance actually went in Canada.

How tragically wrong subsequent history has shown this argument to be! The hopes we all had that Hitler's folly might have paved the way for Russia to become co-operative with the free nations of the world were almost immediately destroyed. Even while fighting for her very existence she treated the military missions of her allies with extreme suspicion and scant courtesy, and did everything possible to prevent them from gaining any firsthand knowledge of the tactical or strategic problems of the actual fighting. As an example of this, the only information we could get about the weapons and armoured vehicles with which we supplied her, and how they were standing up under actual combat conditions, came not from our mission—and when I say that I mean the British mission to Russia—but from our own agents in Germany. Her shocking ingratitude in regard to the appalling task of supplying her through the tremendously hazardous Murmansk convoy route was a high point of international bad manners without equal in history. Her querulous and carping criticism of everything we did for her right from the start showed that the communist soviet state, like the leopard, cannot change its spots or its disposition.

An interesting aside of those early days on the eastern front was that the people of the Ukraine welcomed the Germans as deliverers; and had Hitler promised a free Ukraine, and not behaved with such abominable ruthlessness and barbarity, there is little doubt that his endeavour to capture Moscow and reach the Urals would have succeeded. The arrogant nonsense about a master race in all probability can be said to have cost him the victory.

Irrefutable evidence shows that it was touch and go whether the Soviets started a shooting war after the end of the major hostilities in 1947, but they apparently thought that they could win with the Berlin blockade. With the tremendous aerodrome construction projects being rushed to completion in Germany for fighter and bomber aircraft at this very moment, who can reasonably doubt the real intentions of these people? Instead, Mr. Speaker, of judging communism by the remarks of such leaders as Lenin and Stalin, who have both made a fundamental point of their doctrine that communism cannot co-exist with free democracies, we made the fatal mistake of judging others by ourselves, and, assuming that because we and no other democracy had any designs on any communist state, it would therefore follow that no communist state would have any designs on us.

Two costly and fundamental lessons have been learned, at least by some of us. First, if you recognize communism it does not do away with its underground activities. The argument that to take steps against communism in the open would drive it underground is entirely specious. No matter what recognition we give to communism and communists, they will continue to have an active and extremely dangerous underground. The communist party is like an iceberg, eleven-twelfths of which is submerged. It is just as foolish to try to alter the nature of a communist as it is to try to alter the physical properties of ice. Ice will always float with eleven-twelfths of it submerged, and communism will always carry on most of its activities underground. This is true, strangely enough, even in countries where there is a communist form of government in power.

The second lesson that we have learned, and it is a bitter one, is that communism and freedom cannot peacefully co-exist in the world today. Every single doctrine of the communist ideology is diametrically opposed to every principle in which we in the free countries believe. This is not a case of communism versus capitalism. Today Russia has a capitalist oligarchy, and the difference in income of the various classes in Russia is infinitely greater than in any capitalist country. No; the quarrel is not between socialism and capitalism; the quarrel is between the dignity of man and the slave state. Were I a religious man, I would say that the difference is so fundamental that the Christian teaching is that man is created in God's image, whereas the communist teaching is that man is created to serve his master, Stalin, the narrow dogmatic Marxist view of man as a servile animal disciplined by fear.

For anybody in this house to say, as some speakers did last week, that to bring communism out into the open prevents it from being underground, and that communism and freedom can peacefully co-exist, is to show that they have learned nothing from recent tragic history. It can be classed as criminal stupidity.

There is another point which must be brought out at this time, and that is the belief, to use the Prime Minister's words, that the best way to destroy communism is to make democracy work. Nothing could be

further from the truth. Even if all the card-carrying members of the communist party in Canada were put into the Senate and given a pension of $6,000 a year for life, they would still be communists, and they would still actively seek to destroy the land in which they live. A man or a woman who has been infected by the communist virus will be a communist, and will advocate communism even though he or she be a millionaire and lives in a marble palace. Why this is so is not the point at issue in this debate, but recent history has shown it to be true. To use the words "defeat communism by making democracy work" is to actually play into the hands of the communists. Their argument is that democracy does not work, and if we, by specious negative statements such as this, state even by inference that it does not work, the communists will use our words, as Kipling puts it, "to see the truths you've spoken twisted by knaves to make a trap for fools."

The danger of ideological appeasement is just as great as the danger of physical appeasement; in fact, it is probably worse. Communist Russia has never had to send an army across any frontier to make new conquests. She has only had to rely on subversive activity. This is the new weapon of the new warfare, and it is just as important for us to combat it as it would be to combat an invading army using infantry, tanks and bombs. The subversive war is going on now. This must be clearly understood. Therefore, Mr. Speaker, I hope this is the last time we shall ever hear this method of defeating communism advocated, at least by members of responsible political parties in this house. I repeat that the three fundamental facts which recent history have taught us are: first, that communism cannot co-exist peacefully with freedom; second, that to recognize communism does not destroy its underground movement; and third, that communism cannot be defeated by economic prosperity.

One further gross error made by the Minister of Justice (Mr. Garson) was in his statement that the prosecution of communist or other subversive acts was the duty and responsibility of the provincial authorities. For the first years of the war, that is from 1939 to April, 1942, I held the position of district intelligence officer for military district No. 2, with headquarters in Toronto. This district, as is known to members, was by far the largest military district in Canada. It was then, and still is, the centre of communist activity. The question of subversive activity was a direct responsibility of the intelligence staff. As I had the responsibility during all the time the United States was neutral, and there existed an active nazi organization known as the German-American Bund, as well as an active communist party, both in Canada and the United States, who did everything to hinder our participation in the war which was termed imperialist and capitalist aggression, I feel that my experience during those years gives me the right to speak on the subject of the prevention of subversive activity and enforcement of laws designed to combat it.

The first thing I wish to say is that during this entire period it was the federal authority who dealt with subversive activity; it was the federal police who made the investigations, made the arrests, laid the charges and presented the evidence in court. Naturally we in the army co-operated with them in every way, as did the provincial police. The point I wish to stress, however, is that it was the Royal Canadian Mounted Police who, in all cases, looked after the prosecution of persons charged with subversive activity. It is true that I did occasionally see the then attorney general for the province of Ontario, Mr. Conant, which at that time had a Liberal administration. He was, however, emphatic that all questions dealing with subversive activity were a federal responsibility. The provincial police did co-operate with us, but only when we asked them to do so. Our dealings with the Federal Bureau of Investigation were also on the Canadian federal level. I do not propose to enlarge on this work, because much of it probably still comes under the Official Secrets Act. The fact I want to make very clear is that subversive activity is considered by the authorities directly responsible for its prevention to be entirely a federal matter.

The officers of the Royal Canadian Mounted Police with whom we worked during the war frequently said to me privately that they wished there was an amendment to the Criminal Code similar to that envisaged by this resolution so that prosecution would be made more simple. When dealing with subversive activity, the aim is to prevent the act being committed, not to prosecute after the foul deed is done. Prevention, not prosecution, is the slogan of all who have the responsibility of dealing with treason and sabotage.

Another error I wish to correct in the statement of the Minister of Justice and the Prime Minister is that England took no steps to prevent communist or other subversive activities. Nothing could be farther from the truth. While the communist party was, it is true, not officially banned, nevertheless under the Defence of the Realm Act—known as "Dora"—the widest possible powers were

given both to the military and to the civil powers to arrest, and to hold without trial and without warrant, any suspected person. It may not be generally known, but the Defence of the Realm Act had in it clauses such as the one which allowed any officer of any of the armed forces in uniform to apprehend and hold any civilian for a period of forty-eight hours before he even had to report the arrest to his superiors. If the individual was suspected, he could be put away virtually without a trial in a concentration camp and held there at His Majesty's pleasure. With powers such as these, there was absolutely no necessity officially to ban the communist party, or even Sir Oswald Mosley's fascists; but Mosley himself was nevertheless quite effectively locked up.

I now come to conditions as they exist today in Canada. Section 134 of the Criminal Code deals with sedition; and while sedition is not defined specifically, one of the generally accepted definitions is "to lead ignorant persons to subvert the laws". Recently we have had a number of instances of this in Canada. I speak of the communist propaganda directed toward the displaced persons who have for the past year or so been entering Canada for the prime purpose of getting security from Soviet expansion and, in fact, escaping the communist state.

One of the instances was when a riot took place in Timmins and the displaced persons who wished to be free turned on the communists who were trying to subvert them. Most hon. members will have received communist bleats about this episode, with the usual nonsense that they had been turned on by fascist dogs. I believe that anyone who tries to subvert or to incite these people who are now coming to Canada, and whom we hope to make into free and useful Canadian citizens, should be prosecuted, and that the Criminal Code should be altered to make this possible.

Another example of the necessity for an alteration in the Criminal Code is what is known as the policy of separation from sensitive positions of persons in the civil service if they are thought to have subversive contacts, or even subversive inclinations. Such a matter as having in their possession or in their residence lists of addresses and telephone numbers of known subversives, or to have visited and been seen in the company of known subversives, is considered evidence enough to bring about separation. Thus the government can and does deprive people of their jobs and economic security without a trial and without recourse. If a man is subversive, he is just as subversive in a key position in a sensitive industry as he would be in the film board or in any government department, with the possible exception of the department of state and the Department of National Defence. If a man is not subversive and wishes to appeal from the decision of the investigating authorities, he should be able to do so; but to provide security and to prevent the methods used by the police from becoming known, an alteration in the Criminal Code would seem advisable.

To show that the government is aware of this fact, it was announced that an amendment to the Official Secrets Act is proposed this session. While I am not, of course, in a position to anticipate the nature of this amendment, it is obvious that recent events have shown the inadequacy of the present law. Whether subversive activity is an offence against the Criminal Code or against the Official Secrets Act, or both, is a question of legal and administrative argument. It is apparent, however, that the government considers the present legislation inadequate for the purposes at hand.

The motion before the house recognizes this situation, and is directed to the introduction of a preventive, not a punitive measure. I say again that the aim of all responsible democratic authorities is primarily to prevent subversive activities from taking place, rather than to punish those who have engaged in them. This amendment was drafted to bring this about. It is not aimed at outlawing anyone, nor does it in any way attempt to do anything to anyone because of his thoughts. I therefore support the amendment, Mr. Speaker.

Mr. A. J. Bater (The Battlefords): In rising to say a few words on this amendment, Mr. Speaker, I shall first of all read the amendment and then make a few observations.

The amendment reads as follows:

> This house is of the opinion that appropriate legislation should be introduced so that communist and similar activities in Canada may be made an offence punishable under the Criminal Code.

In speaking to this amendment I think we can again say that possibly we are trying to decide which is the right way to do the right thing. After listening to the mover of this resolution, I have been doing a little bit of thinking; and I have come to the conclusion that if the amendment were adopted we would be endeavouring to do the right thing in the wrong way. I thought that the Secretary of State for External Affairs (Mr. Pearson) struck the right note when he replied just last week.

I recall some twenty-one years ago, being back in the country which gave me my birth.

I was walking down from Whitechapel to Westminster Abbey and the parliament buildings, and there I saw what I had often heard about, namely, a man standing on a box. He had an audience of only four people. I said to the guide, "What is that man doing there?" He said, "Oh, he is just having a little conversation with the three or four people who are his audience." I walked over to this man who was on a box near the parliament buildings in London. There was a policeman there, with no revolver. I said to the policeman, "Is this permissible?" He said, "Oh, yes, we allow it." He said, "It is quite all right. It is our law. He is just letting off a little bit of steam. He is not hurting anyone." But he was surely laying out the government of the day at that time.

It has been said by the fascist and communist countries that our system of democracy is slow. It is quite true that it is slow. That which I saw there in England was just twenty-one years ago. Subsequently some communists were elected to the House of Commons in England. How many were elected in the recent elections there? Not one. I therefore say, Mr. Speaker, that while our system may be a little bit slow, it is possibly in the best interests of the country in the long run.

Mention was made of what some other countries, including some of our commonwealth countries, are doing at the present time in respect to communism. I wish to read an editorial from one of our western papers. It is as follows:

Australia and Communism

The new Australian government is losing no time in carrying out its election pledge to ban the communist party. In the speech from the throne at the opening of parliament last week it was announced that legislation would be brought down to make the party illegal.

Other countries have sought to check communism by various legal means, but Australia will be the first English-speaking country to try to ban the movement altogether in peacetime.

There are undoubtedly substantial reasons for taking this step. The Australian communist party is the most active and aggressive in the commonwealth. Since the war ended it has organized a long series of disastrous strikes in the coal mines, on the docks and in other vital industries, and caused incalculable damage and suffering to the country. These strikes, communist leaders frankly acknowledge, were called not to remedy legitimate labour grievances, but for political purposes—to disrupt the national economy, and to sabotage defence preparations.

As a climax, the secretary of the party, Laurence Sharkey, stated openly last year that if Soviet troops invaded Australia he and his followers would help them. This was too much for the Labour government then in power, and Sharkey was convicted of sedition. As a result of all this, public demand for the suppression of the party has become almost irresistible.

[Mr. Bater.]

Nevertheless the wisdom of this move is open to question. Communist parties have been outlawed at various times in European and Asiatic countries, but always with indifferent success. Such laws may cause the party to disappear from view, but they do not destroy it. The members simply go underground and carry on as a wholly secret and illegal organization. In that situation they often do more damage than they could when their activities were partly in the open. Also, an active harrying of the Reds gives them the opportunity to pose as martyrs and win support among sentimental and ill-informed persons.

It is sometimes argued that "driving the communists underground" is of little importance because a large part of their work is secret and conspiratorial anyway. This is true. None the less the existence of the "legal" wing of the party, like the tip of a largely-submerged iceberg, has often been valuable to the authorities, as it makes it easier to watch the activities of the whole organization. It was for this reason that J. Edgar Hoover of the F.B.I.—an implacable foe of communism if ever there was one—recently advised the United States congress against trying to outlaw the communist party in the United States.

Then, too, there is the unavoidable fact that however vicious communist activities are, we are departing from our traditions of free speech and political liberty when we punish Reds merely for their speeches or their membership cards.

This Australian experiment will be watched with interest.

Now we have a stranger within our gates. According to the press the Red Dean was asked many questions last night as to what they have and what they have not in one of the communist countries. What was his answer? He said what they had in Russia, but we know what they have not that we have, and it is the No. 1 bulwark of our democratic system as we know it in Canada and in the commonwealth countries; I refer to free speech and a free press. The fact that we have a free press is in itself almost sufficient to justify our not passing the amendment moved by the leader of the opposition.

I think I should read what Franklin Roosevelt, son of the late President Roosevelt, said on being interviewed just a short time ago:

Liberal democracy will win over communism, not with hydrogen bombs but by the practice of our ideas and ideals.

That is a great statement coming from a man who is the son of the late president.

In conclusion, Mr. Speaker, I think we as a government, as a parliament and as individuals, have to play a sincere part in practising, not only in this House of Commons as members of parliament, but outside of this house, and endeavour to encourage in every individual in the country, regardless of his calling, the principles we profess to admire in our democratic system. If we do that, then the amendment which is now before the house will not be necessary.

Mr. J. G. Diefenbaker (Lake Centre): Mr. Speaker, I listened with a great deal of interest to the remarks of the hon. member for The Battlefords (Mr. Bater) when he described the operations of our British philosophy of freedom. With his remarks I am in general agreement, as are hon. members on all sides of the house.

This amendment and debate have been beneficial in that they have brought to the attention of the house and of the country a condition that challenges our way of life, not only within our own country, but generally everywhere throughout the world.

As I listened to the debate the other day I recalled that five years ago, at the United Nations conference in San Francisco on international organization, Mr. Molotov, speaking for the U.S.S.R. as its foreign commissar and representative, said that no longer would aggression be allowed among the nations of the world; that no longer would injustice be permitted to exist anywhere; that when the United Nations charter was finally completed and accepted by the nations of the world never again would there be aggression, or the possibility. That was five years ago. Events of the last six weeks have been the most challenging in the history of the democratic nations and in their fight for survival. I shall mention only one or two.

During the last six weeks the U.S.S.R. has adopted a more truculent attitude than ever before. She has asked Great Britain and the United States to leave Trieste. She has placed over the Polish army, officers of the U.S.S.R., and she has made the serious threat that on May 28 five hundred thousand communist Germans will cross into the British or the United States zones of Berlin. That indicates a state of mind and an attitude that challenges members in this house, and in all democratic parliaments, to view the threat of communism, and consider how its illegal and overt acts are to be met under the law.

As one who over the years has advocated the establishment in this country of a national bill of rights for the maintenance and preservation of our freedoms from within, and also the necessity of parliament accepting its responsibilities in connection with the United Nations charter by the adoption of the United Nations declaration of freedom, I view with deep concern the situation brought about through communist activities in our own country and in the countries that have been overrun.

There are one or two matters concerning which we are all in agreement. One is that conditions internationally are serious. No one need say in this House of Commons how accursed communism is; that is admitted. But where the division of opinion comes is in this: What measures should be taken to the end that communism and its activities within our country shall not be permitted to remain outside of jeopardy for the commission of wrongs against the state?

We ask ourselves the question whether the law, in its present state, does in fact meet the needs and exigencies of these times. When we face that problem the next follows naturally and it is this: What has the government, representative of the people of Canada, done in the last few years to enforce the law so far as illegal communist activities are concerned? Has the law been used? Is the law sufficient?

That brings one to the question of enforcement or non-enforcement of the law as it now stands. The next phase of the problem is to determine how far our country should go in protecting security and at the same time preserving freedom. After all, freedom is our tradition, and without it our parliamentary system cannot operate. Freedom does not mean licence. Freedom does not mean the right to do the things we will. Freedom, simply defined, is our right to proceed and to act in accordance with the dictates of our conscience, so long as in the exercise of our freedom we do not invade or interfere with the freedoms of others. Freedom consists of freedom of speech, of religion, of associations—and I think, too, freedom from unjust state control. Freedom does not mean that in the exercise of freedom of speech we must be right; it implies that we must do right. Freedom does not mean that we cannot be wrong; freedom under law denies our right to do wrong.

Measured in these terms one looks back over the last four years since Mr. Churchill made his speech at Fulton, Missouri. If ever a stateman prophesied what would happen, certainly he did when he spoke in that historic speech. He warned of the danger to the world and the serious threat to the preservation of the United Nations which is implicit in the expansionist policy of the U.S.S.R. In our own country within the last few days it has been stated in *The Outlook* of May, 1950:

> The communist offensive of 1950 is now in full swing. For the first time, Canada is a main objective. The Moscow politburo has ordered its agents to concentrate on wrecking the economy of Canada.

Then it goes on to say:

> The main communist objective in Canada—industrial collapse—is to be pressed with maximum effort.

What do the Prime Minister (Mr. St. Laurent) and the Minister of Justice (Mr. Garson) say? I shall refer to their remarks in a general way and then, if the Minister of Justice desires me to do so, I shall refer to

them in particular. If I understood correctly the purport of the remarks of the Prime Minister and the Minister of Justice, it is this: that the law today is sufficient.

There are laws on our statute books—

Said the Prime Minister, as reported at page 2087 of *Hansard*.

—laws in the Criminal Code, which are sufficient, if applied—

And I accentuate the words "if applied".

—to deal with all overt acts directed against the security of the state.

The Minister of Justice, in the course of his remarks, referred to the sufficiency of the law, when, as reported at page 2139 of *Hansard*, he said:

The law today is sufficiently extensive to support convictions in all those cases where overt acts can be proved.

Then he goes on to quote with approval the words of Mr., then Senator, Meighen. Sir, it is indeed something to hear a member on the government side quoting Mr. Meighen with approval; but that is what the Minister of Justice has done. I know the minister has no ghost writer in his department who writes his speeches for him; he prepares his own speeches and delivers them as prepared. Referring to section 98 he quoted Mr. Meighen in these words:

Senator Meighen put it—

That is, the idea that even section 98 did not punish anyone for his ideas.

—in this rather pungent language: "The memorandum—"

A memorandum prepared by the late Mr. Lapointe.

"—quotes an opinion of Macaulay's that it is only when the individual, having harboured wrong ideas, gives effect to them to the detriment of the state, that he ought to be punished. Who within the four walls of parliament or anything other than a lunatic asylum would ever entertain a contrary opinion?"

I agree that a person should not be punished for what he thinks; but I would ask the minister this: How do you, as a member of the government, and believing that, from time to time join in the removal of people from departments of government, not for what they do but only for what you suspect they think?

Section 98 was introduced and became law in 1919. There are parts of that section that cannot be justified in days of peace; and when I say that, I have distinguished support, not only from the Minister of Justice, but also in the words of Mr. Lapointe, Mr. Bennett and Mr. Meighen. Came the campaign of 1935, and in it the Liberal party had as one of its fourteen points the repeal of section 98. When the election was over they introduced legislation to repeal section 98. Let me refer to the opening paragraph of the section, which reads as follows:

Any association, organization, society or corporation, whose professed purpose or one of whose purposes is to bring about any governmental, industrial or economic change within Canada by use of force, violence or physical injury to person or property, or by threats of such injury, or which teaches, advocates, advises or defends the use of force, violence, terrorism, or physical injury to person or property, or threats of such injury, in order to accomplish such change, or for any other purpose, or which shall by any means prosecute or pursue such purpose or professed purpose, or shall so teach, advocate, advise or defend, shall be an unlawful association.

The subsequent subsections provided for the means of proof and the presumptions. After the election of 1935 there had to be the payoff. The Minister of Justice smiles. I am going to cite as evidence in that regard the words of Mr. Meighen, who was accepted by the hon. gentleman as an authority on this subject, because he quoted from him, but abstracted a few lines to meet his own purpose. I do not know whether he read the rest of the speech, but he put violent hands on one portion and left his hands off other portions.

Mr. Garson: On a point of privilege, Mr. Speaker, I think I should put on the record that I quoted the whole of Mr. Meighen's speech that was relevant to the point I was discussing.

Mr. Diefenbaker: It has been said that some can quote scripture to suit their own ends. My hon. friend quoted Mr. Meighen but he did not quote his words from the same page, page 619 of the debates of the Senate for June 20, 1936, where he said:

This bill repeals section 98, it is true, but in another section it restores section 98, or the full effect of it, after the repeal. To certain persons, some of them well-intentioned, but principally to the communists whose votes it was necessary to secure by a promise of the repeal of section 98, the government by this bill gives the repeal with one hand and from them it takes it back with the other.

That is in the second paragraph after the words quoted with approval by the Minister of Justice.

Mr. Garson: I wonder if I might ask my hon. friend a question? If Mr. Meighen was right in the statement which my hon. friend has just quoted, then why is my hon. friend supporting the present amendment?

Mr. Diefenbaker: If my hon. friend will wait, I will carry on the argument, and I will ask him this.

Mr. Garson: Answer my question first.

Mr. Diefenbaker: I will come to his point, because I can understand how he feels when,

having abstracted a few lines out of the record, he deliberately left out the pertinent portions thereof.

Mr. Garson: Is that a pertinent portion?

Mr. Diefenbaker: I now come to the change that was made. Section 98 was repealed and a new subsection was added to section 133, as follows:

Without limiting the generality of the meaning of the expression "seditious intention"—

That is in connection with prosecutions for sedition.

—everyone shall be presumed to have a seditious intention who publishes, or circulates any writing, printing or document in which it is advocated, or who teaches or advocates the use, without the authority of law, of force, as a means of accomplishing any governmental change within Canada.

Section 98 was removed, and in place of it a presumption of guilt was created under the law of sedition against anyone who in any way supports or advocates the changing of the government of our country by force.

Mr. Garson: "By force." May I ask a question at that point?

Mr. Diefenbaker: Yes.

Mr. Garson: Does my hon. friend support his leader's resolution objecting to that section he has just been quoting?

Mr. Diefenbaker: What I object to is that, having secured the removal of section 98, as Mr. Meighen said, by promises; having secured votes and then removed section 98, you created another section—and I am accepting the minister's argument—under which there is a presumption of guilt when any person or organization advocates, either in writing—

Mr. Garson: Are you against that?

Mr. Diefenbaker: Wait a minute—either by word or in writing advocates a change of government by force. Now, what about the discharge by the minister of his responsibility? I am accepting his argument that the law is sufficient today. Why should seven foreign language newspapers in Canada, which go beyond the realm of freedom of speech, some of them advocating openly a change of government by force, be allowed to exist within this land with complete impunity so far as the government is concerned? Why is it that when communists travel the length and breadth of Canada and preach the doctrine of force, the section is not used? Why does it remain in mothballs? If it were used, many of those who with impunity are advocating a change in the constitution and the government of the country by force would be subject to prosecution and conviction. Section 133 as amended places the onus of responsibility on the accused. Is it used? In fifteen years it has been used twice. In fifteen years there have been only two prosecutions, while communism continues its work.

Even the Secretary of State for External Affairs (Mr. Pearson) over a year ago said that some change was needed in the criminal law. I am not going to advocate a change in the law.

Mr. Garson: Hear, hear.

Mr. Diefenbaker: I am going to ask the government and the Minister of Justice to take the law and use it in Canada in order to meet wrongdoing and to see to it that wrongdoers shall not attempt to undermine the government of the country by advocating force.

Mr. Garson: I want to make sure I understand my hon. friend's argument.

Mr. Diefenbaker: All right.

Mr. Garson: Is it his argument that under the subsection to which he has been referring it is now possible to prosecute and convict these newspapers without passing the resolution moved by his leader? Is that his argument?

Mr. Diefenbaker: My hon. friend is exactly in that position. That was his defence. We do not need amendment of the law and I am taking his argument.

Mr. Garson: Is it your argument?

Mr. Diefenbaker: I am not enforcing the law. I want to tell you if there was a minister of justice over there who was not exhibiting as to this matter some of the attitudes the minister assumed in connection with the millers, we would not have the communism and communist activities that we have in various parts of this country. I am taking his argument and using it to show that under section 133 prosecution is possible and conviction is possible, for under that section the accused lost the right to defend except by going on the witness stand and himself answering the presumption that was raised against him.

Mr. Garson: If my hon. friend will permit me, I am having a great deal of difficulty getting answers. Does my hon. friend agree with that argument?

Mr. Diefenbaker: I am agreeing with my hon. friend; I am using his argument.

Mr. Garson: Then if my hon. friend agrees with that argument will he say how many times prosecutions were initiated under section 98 while Mr. Bennett's government was in power? If he does not know I will tell him.

Mr. Diefenbaker: There were prosecutions under section 98 during Mr. Bennett's administration; Buck, and those associated with him.

Mr. Garson: One.

Mr. Diefenbaker: And the Evans case in British Columbia.

Mr. Mitchell: Perhaps my hon. friend will let me ask a question. He puts me in mind of looking for a black cat in the dark without a candle. This question of Mr. Bennett and the prosecutions under section 98 has been raised. If my hon. friend will read the record I think he will find that those prosecutions were carried on by Mr. W. H. Price, then attorney general of Ontario, who was responsible for the enforcement of law and order in this province at that time.

Mr. Diefenbaker: Well, Mr. Speaker, you know if you throw a stone into a group of livestock, the one that yells is the one you have hit. I am not going to be deflected from this point, because I have something more to say. To the government of this country I say you have not used your powers; you have played with this problem under the law. The Minister of Labour (Mr. Mitchell) asks about the prosecutions in 1932 or 1933.

Mr. Mitchell: From 1930 to 1935.

Mr. Diefenbaker: I have a booklet in my desk which came out today, issued by the mounted police; I was trying to locate it while I was being interrupted. This is an old argument, and I was just waiting for that interruption; that is why I have the book here. It is called "Law and Order in Canadian Democracy", issued by the king's printer. It deals with the whole problem. The other day the Minister of Justice (Mr. Garson) was echoing the words of the Prime Minister (Mr. St. Laurent) when he said, in effect "Oh, we cannot do anything; the provinces have the responsibility." I ask this question. What is the organization in this country that investigates communists and their activities? It is the Royal Canadian Mounted Police. They have the organization; they operate every day of the week. I am informed they have every dangerous communist in this country of whom they have knowledge right under their thumb. They are the people who have the information. Does the Minister of Justice, who is in charge of the R.C.M.P., turn over to the provincial attorneys general each month a record of the activities of the various communists in their provinces? I am not going to ask him to deny that, but I know if he told the facts he could not say that was being done. Certainly the law is enforced by the agencies of the provinces, but those who lay the informations are members of the Royal Canadian Mounted Police. They start proceedings; then the administration of justice is carried on by the province. Yet the minister tries to get away with the specious argument that the provinces have responsibility for this, when he has all the agencies under his control and he is not acting. What about the mounted police?

Mr. Garson: On a point of privilege Mr. Speaker, I just want to correct a statement made by the hon. member.

Mr. Diefenbaker: The minister can correct my statements later.

Mr. Garson: It was a statement about myself.

Mr. Diefenbaker: The other day I listened to the Minister of Justice making statements that were contrary to the facts, and I did not rise to deny them then; I waited for my opportunity.

Mr. Deputy Speaker: If it is a point of privilege—

Mr. Garson: My hon. friend said—

Some hon. Members: Sit down.

Mr. Deputy Speaker: The hon. member who has the floor may not be interrupted without his consent except on a point of privilege.

Mr. Garson: My point of privilege was this. My hon. friend asked me a question. It may have been a rhetorical question, but I would like to answer it.

Mr. Diefenbaker: I have asked the minister one question ever since last November, and we have not had an answer to it yet. Why did you hide the report on the millers?

Mr. Garson: If my hon. friend is going to attach so much importance to my not answering questions I should like to mention—

Mr. Deputy Speaker: Order. Is the minister still raising a point of privilege?

Mr. Garson: As I say—

Mr. Diefenbaker: Mr. Speaker—

Mr. Garson: If my hon. friend is going to attach so much importance to questions asked in the course of a debate I would like to answer his question, and my answer is this. As my hon. friend well knows—

Some hon. Members: Order.

Mr. Deputy Speaker: Order. The hon. member for Lake Centre has the floor.

Mr. Diefenbaker: I do not mind those jacks in the pulpit, Mr. Speaker, but at the

moment I am completing an argument; and if the Minister of Justice thinks that by means of interruptions, contrary to the procedure of this house, he is going to dissuade me from quoting from this book—

Mr. Garson: On a point of privilege, Mr. Speaker, I want my hon. friend to withdraw that remark.

Mr. Deputy Speaker: Order.

Some hon. Members: Withdraw.

Mr. Diefenbaker: My hon. friend built an edifice of fallacy in his speech; he said, in effect, "We cannot act; the provinces must do so." I repeat that he has the agency under his control, the R.C.M.P., which operates everywhere in this dominion and has all the information. Does he ask them to lay charges? If he did, those charges would be carried on by the attorneys general of the provinces affected. What is the authority of the mounted police? I read from this booklet to which I referred a moment ago, under the heading "Functions and Limitations of Police Forces":

> The R.C.M.P., the federal police force, is headed by a commissioner who reports to a minister of the crown who is designated "minister in control of the force." (The present minister in control of the force holds the portfolio of Minister of Justice.)
>
> Primarily this force is charged with the enforcement of all federal statutes anywhere in Canada, but by special arrangement with Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, and Prince Edward Island, it acts as the provincial police in those six provinces.

Is there any wrongdoing in those six provinces, any activity on the part of communists?

Mr. Gardiner: The provincial police say that; it is the same police force.

Mr. Diefenbaker: Are there activities in the other provinces? In every case if information is furnished to the provincial attorneys general, or an information is laid, then the procedure is to prosecute through the provinces. Why is that not done? Why is the law not enforced? In section 133, subsection 4, you have a presumption of guilt; you put it in the law, why not enforce it? There used to be criticism of section 98 on the ground that it placed an onus on the accused; yet the same thing was done in section 133, subsection 4.

My mind goes back to 1944 and 1945. I ask the minister, why do you not enforce the law? Having regard to what communism has done generally in other countries, without entering into a witch-hunt which I join with the minister in condemning, with all the evidence available, and there must be evidence available when one sees the activities of the exposed part of the iceberg, to use an analogy that was used today, why is the law not enforced? I well remember the interview given by Tim Buck on June 26, 1944, in which he said:

> . . . in an interview that his recent invitation to Prime Minister Mackenzie King to join forces with his party had been "misunderstood."
>
> "I merely suggested to him," added Mr. Buck, "that if his legislation become liberalized—and spell that with a small 'l'—that if he played down our alley now, we might throw our weight his way when the House of Commons is split many ways after the next election."

What did Mr. McLean, the Liberal organizer, say at that time? These are things that are in the record.

> The Liberal party welcomes co-operation from everyone in Canada in putting into effect Liberal principles and policies, because we are sure that these policies are the only real answer to the problems which face Canada—

That was the answer of Mr. McLean, the director of the federation. Then I remember the by-election in Grey North in that year. These men came out of the internment camp into the election. I ask why it is that in a period of fifteen years there have only been two prosecutions. Why, in the last four or five years, when the onrush of communism has become apparent everywhere in the world, when its activities within our own nation have been intensified—and all I am doing is asking for information—under those circumstances, the Minister of Justice hides behind the smokescreen he has created in order to explain why the law, strong as he says it is, has not been enforced. I feel, sir, that the law as it stands, if carried out, would bring results. I do not come before this house to prove untrue to the things in which I have always believed. I agree with the members of the government in so far as the outlawing of communism is concerned. Experience has proven that method to be unsuccessful where it has been tried—in Russia, Czechoslovakia, Italy and Switzerland. It was tried in Russia for seventeen years; communism was outlawed in Czechoslovakia, and in Italy for seventeen years under Mussolini. In Switzerland, it was outlawed for a period of several years. Outlawry is now to be tried in Australia. I believe the time has come in this country when the people are asking for action.

I think the time has come to try inlawry in this country in so far as those who would undermine by force are concerned. Where there are overt acts, where there are outspoken words, where there is, on the part of those who undermine, a declaration that they intend to destroy our system of government by force, surely the time has come, not for evasion on the part of a government, not

for grandiloquent speeches on the evils of communism, but for a declaration of the intention of the government to enforce the law. We have had too much experience under the present Minister of Justice with laws not being enforced when he, under the direction of the Minister of Trade and Commerce (Mr. Howe), felt that the law should not be enforced. The attorney general of this country has the responsibility of carrying out the law. The minister quoted from the Right Hon. Mr. Meighen that the transition from section 98 to section 133, in effect, still left the onus upon those who openly speak in favour of overt acts against the state. Then, sir, I suggest this to the minister. If what he says is correct, that the law is sufficient, then let him translate the effect of that declaration into action. Certainly if the law is sufficient it is being enforced in a way that no communist has anything to fear. Law on the statute books is only as strong, and only as powerful, as the will of the Minister of Justice to enforce it. He and the Prime Minister say the law is sufficient. I say enforce it; if not, bring it up to date.

Utilize and enforce the law as it is, and assure the people of Canada that our country shall not be undermined by those who have nothing to fear from the traps of prosecution, to which the Prime Minister referred. Declarations have their place. Laws are important on the statute books. When communists can go throughout our country advocating the undermining of our country by force, carrying newspapers with them to the same effect, I think the time has come to start enforcing the law—under law and not outside the law, to the end that wrongdoers will find they will be given an opportunity in this country, loving the iron curtain as they do, to be behind iron bars when they overtly break the law.

Mr. Solon E. Low (Peace River): Mr. Speaker, I should like to take a few minutes of the time of the house to say how we view the amendment that is now before us. But before I do, I should like to make a few comments on the general subject of the discussion. During the debate, and I think it has been a worth-while one, a good many things have been said about communism. No one has yet described this evil thing, which is loathesome to me, in terms that are too strong to suit us. We despise it. We have fought communism out into the open ever since we were an organization. Some of us have fought communism since shortly after the first great war when communistic cells began to spring up like mushrooms in all the countries of the world.

We think that communism could have been destroyed in the shell in 1917, but perfidious men were responsible for nourishing it and spreading it from its infancy. That, however, is not the subject of discussion. We have kept the spotlight on communism ever since, in every single way that we could. In the early days of our organization we used to think that our efforts were somewhat in vain because we did not get much response; but now we rejoice to think that so many Canadians have become aroused to the dangers inherent in communism and the threat that it offers to the security of our country and the individuals who compose it.

For quite a number of years we have realized that communism is a way of thinking, a state of mind. Because that is so, it is quite obvious to me at any rate that it is something that cannot be banned by an act of parliament or by the proclamation of any officer of government. It is only when that state of mind is translated into action which may be a threat to the security of the nation that we can get at it through process of law.

By a good many speakers in this debate it has been said that communism has declined in Canada. I think the Prime Minister (Mr. St. Laurent) made that statement, as well as others I have heard. Perhaps that is so. I suppose the actual number of registered communists in Canada may have declined; it may be considerably smaller than it was a few years ago. But let me point out, Mr. Speaker, that it is not so much those who are registered as communists who constitute the danger to our security. The greater threat comes from fellow travellers and sympathizers. There may be a good many of them in our country, many more than some people suspect. That proved to be the situation in the United States, and I do not think that the United States is much different from Canada.

I have in my hand a report that appeared in the *Citizen* of Wednesday, May 3, under dateline New York and under the headline "Only 55,000 Reds but 500,000 'Travellers' in U.S." This is a report of a speech given by director J. Edgar Hoover of the Federal Bureau of Investigation when he spoke before some organization down in the United States. He said this:

> . . . the United States has only about 55,000 communist party members, but their real strength lies in 500,000 fellow-travellers and sympathizers ready to do their bidding.
>
> Hoover made his estimate of the number of card-carrying members of the country's force of traitorous communists and of their sympathizers, at a masonic gathering last night.
>
> Hoover's estimate of the communist party membership was in line with recent reports that the party had dwindled since the war from a previously estimated 75,000 or 100,000.

He said the subversives are a real danger to the U.S.—despite their relatively small numerical strength—and he predicted that their influence will be destroyed.

Let us hope, Mr. Speaker, that Mr. Hoover's last declaration, that they will be destroyed, is a statement of fact.

What are we to do about subversive organizations and forces in Canada? We have in this country other subversives than communists. I have wondered a good deal just what we should do. I cannot say in full or in explicit terms what should be done to protect our country against these subversive forces. I would not attempt to outline a comprehensive formula or program, but I believe that I have some ideas which, if applied, would certainly go far toward lessening the dangers.

I think that perhaps the first and most important thing for us to do in this country, at least to start with, is to get an understanding of some things. There is no use in trying to fight a force that we do not understand. There is no use in trying to do things about this whole dangerous situation unless we have a thorough understanding of the soil in which communism and other subversive doctrines thrive.

I think that one of the conditions which provide food for communism is this. Any time you find widespread throughout a country or amongst a people a callous disregard for human life and suffering, that state of mind provides food for communism. During the war every country that was involved trained its young men to take a human life with as little compunction as if they were swatting a fly. They trained them into that state of mind. Hence, when the war closed, in practically every country over the earth there was a callous disregard for human life and for human suffering. Both sides in the struggle so trained their young men, so that one was no worse than the other. I say, therefore, in such circumstances, how could there help but develop a disregard for suffering and a decline in the value which is placed upon human life?

Let us not forget, Mr. Speaker, that years of training into that state of mind does not sublimate in one year or in five years. It takes a long and careful process of unlearning, followed by a good many years of education in the art of human relationships; in that art wherein high value is placed on human life and human rights; in that art wherein human souls are lifted, in the mind of man, to a dignity and respect much higher than we have ever known before. It seems to me that communism, which thrives in a climate of callous disregard for life and human suffering, would decline in a new atmosphere in which human beings are valued highly.

One way to eradicate communism therefore would be for our people to emphasize in their educational systems that a very high value must be placed upon healthy, happy, free and vibrant human beings, no matter what their colour, their race or their creed may be. If we are to do this then our whole approach to Canadian living must be permeated through and through with spiritual leaven. I was agreeably pleased and surprised to hear so many participants in this debate refer to the necessity of a return to the things of the spirit. Communism is Godless materialism rampant. We Canadians, I think, ought to take stock. Our idea might be just as materialistic as the one we are fighting; and I am convinced that it is not possible to launch an offensive against communism and these other subversive doctrines that can win in a cold war unless we dispel the fog and the delusion under which we seem to have fallen.

I think that envisioned, at least in the wording of the amendment that is before us, is the expression of that delusion. No anti-program will ever turn the marxists in any country. That ought to be clear. A positive overriding ideology, encompassing the full play of spiritual forces, will turn them. I have seen it. I wish I had time to tell you of some of the observations that I was privileged to make in Germany where an organization called—I think it could be more correctly called a movement—"Moral rearmament" worked amongst the miners and the steel workers, many of whom were communists, fascists and nazis. I personally witnessed some of these people coming to a realization that they had been following a Godless materialism, and when they approached their whole problem of living with a spiritual outlook they began to find a new vibrancy and satisfaction in living, and they turned from communism and joined in a movement and tried to influence their fellow communists to discover the art of satisfied living.

I am in agreement with the Prime Minister (Mr. St. Laurent) when he says that one of our major tasks now is to make democracy work as it ought to work in the interest of individuals. If democracy is rehabilitated, strengthened and made to work as it ought to work, then I am satisfied that communism will not be a serious threat to our peace and our security. Mr. Speaker, never forget this: Strengthening democracy must include the provision of satisfactory and workable cushions for our economy against a depression. I wonder, Mr. Speaker, if it has ever occurred to hon. members to ask themselves what would happen throughout the democracies of the world if Stalin suddenly should

declare a reversal of his policy of recent years. If he should say to the people of the world: "Look, we have not wanted to conduct an imperialistic cold war; what we want is peace, and we will enter into a pact of peace for fifteen years". Well, of course at first we would not believe him, because thus far we have found no truth in him or in any of his following; so we might not take his word for granted to start with; but after a while we probably would.

A prominent Progressive Conservative posed that very question in a small group where I found myself just a few days ago. The smartest thing that Stalin could do today would be to declare that he and his country were seeking peace, and if he were to reverse his policy and enter into pacts of peace for a period of say fifteen or twenty years. Why do I say that? Because it would throw the democracies into a tailspin. The minute that they have to take care of the production of their countries without drawing off the cream of it for war purposes, how long do you suppose it would take them to get into a depression? Do not forget that Stalin is long-headed, and he knows that. Stalin and his Russians are going to take the action that will be best designed to spread Russian communism over the whole world. Let us do some thinking about it.

What would we do if we did not have to spend the $400 million or $500 million that we are now spending in preparation for war? If we are to meet this threat, Mr. Speaker, and really make democracy work, as the Prime Minister says it must be made to work, then we have to seek ways of expanding production for use and not destruction.

Second, we have to seek ways of closing the gap between the gross national production and the national income of our people so that they can buy and use the goods we produce. And third, we have got to seek fair trading and peaceful co-operation with all the nations of the earth, and help them out, as far as we possibly can, out of the abundance of our production.

Communists, that is, the trained agents of Moscow, want depression in the democracies because they know that their cause will grow best in the soil of unemployment, of want and of misery. Mr. Speaker, while speaking of a depression and unemployment, let us not overlook this fact, that as unemployment spreads in any country the first people to take action against it are the communist organizers. Let us not overlook that, and if we want to make communists in Canada, the best way to do it is to disregard these young men who, even if it is seasonal, are forced out of work by unemployment.

Just over a week ago I had an experience which I value very highly. I was invited by an organization called "The Canadian convention of unemployed workers" to go down and address them. I made as much inquiry as I could about them, and I found that some of the names were communist. But that did not deter me, for this reason: I wanted to see for myself exactly what their techniques were, and also see just exactly who appeared. So I went down. Unfortunately I was the only one from parliament who did go. I am not blaming hon. members; I can understand why those who were invited did not go. But I will tell you this, that when I went into that hall on Bank street south I saw a picture I shall not soon forget.

Scattered around the hall were small tables. Seated around those tables in threes and fours were young men—very young, in the main—and old men who, in the main, were quite old. But scattered among them were these smoothies who had probably been trained in Moscow, down to the finest technique of a magician. They were treating these young men and girls, and the older men, to coffee, cokes and hot dogs. In other words, they were catering to the comforts of the inner man, and posing as the friends of these young people.

It is much easier to think of a man as your friend if he is helping you to fill your stomach —especially if that stomach has not been accustomed to being filled. It is much easier to think a man is your friend if he sits down to chat with you and to give you a word of encouragement; even if they are lies, the young fellow does not know.

Because I went early I was privileged to watch the procedure for about forty minutes, with the result that I got a pretty good eyeful before I was asked to speak. I heard the organizer of this gang read to them for their approval the submission they were going to make on behalf of the unemployed in Canada to the Prime Minister of Canada. I hold a copy of it in my hand, and at that time I marked it so that I would be able to turn quickly to those things I wanted to say when I was given the chance to speak.

Finally I was called to the platform, and I spoke to them. I knew these were innocent young fellows, worthy Canadians perhaps, who had just been sucked into this thing by these trained operators. To those young men I said, "Are you interested in placing your case before the authorities?" They said that of course they were. Then I said, "All right; I can assure you that there are a great many people in Canada who are in sympathy with the problems you face; but you could not have undertaken a procedure better designed

to get your case thrown out than the procedure you are now following." I then turned to their brief and pointed out how intemperate the language was, and how it was designed to arouse and to inflame, rather than to convince.

All the time these young people were listening, the fellows at the table were furious. Had it not been for the fact that these young people were there and were sympathetic to what I was saying, I might have been conked on the head and dragged out. However, that did not bother me, because I say these young men and women who are caught in the toils of these communist agitators and organizers are worth saving; and the only way they can be saved is to get the truth to them. That is why I say: any time we are invited to speak to these people, for heaven's sake let us go and speak to them and tell them the truth, no matter how many people there may be who disagree with us.

We must watch what is going on among the unemployed. In the years to come the most obvious manifestation of communism and communist activities will be found among those unfortunate ones in our population who have no work, and who have not incomes sufficient to meet their needs. It appears that the communists in our country have failed to take over Canadian labour unions. They tried hard enough. But, having failed in that direction, I am satisfied that the communists are turning their attentions to the unemployed. They have made it one of their major tasks to organize the jobless from coast to coast, and to inflame them and make them sympathizers and fellow travellers. Well, we know how to take care of that situation. I hope to God, Mr. Speaker, that we will have the courage to do what we know is right. We must see to it that these fellows, these smoothies, do not have a chance to organize very many.

I have not mentioned by any means all the things we should do, nor do I intend to. But may I add just this word in closing, that we must exercise the utmost vigilance. I do not need to repeat to the members of the House of Commons that vigilance has always been and always will be the price of freedom. Communism and these other subversive doctrines are designed to take away men's freedom, and to enslave them. For that reason every Canadian must be alerted to vigilance of the kind we have never exercised in our lives before.

I believe I am speaking what is in the minds of the people of Canada generally when I say that the people want the utmost vigilance on the part of those who are entrusted with government, and those who are entrusted with the application of the law. I say the people of Canada are demanding the most vigorous and yet—let me emphasize this—the most just prosecution of any seditious or overt actions which might threaten the security of our people, no matter from what direction those overt acts may come, whether it be communists or fascists or anybody else. We cannot just single out the communists, because perhaps there are others who are just as bad.

The Canadian people are demanding that those who are responsible for conducting the government of this country shall prosecute with vigour and yet with the utmost justice any act that is seditious or designed to render insecure our state or our country or any of its people. But I think the amendment of the leader of the opposition (Mr. Drew) is not worded so as to state that purpose. As a matter of fact I had quite a hard time to figure out what it did mean. I think, though, the amendment moved by the leader of the opposition has served a useful purpose. It has certainly alerted parliament to the dangers of communism, subversive doctrines and other organizations which may be plotting to overthrow the state. I believe further that it has alerted the Canadian people to a greater degree than at any time since I have been a member of the House of Commons.

I believe it is good occasionally to arouse our people to the dangers that lurk unnoticed among us. So I compliment the leader of the opposition upon having moved his amendment. However, now that it has served its purpose, and because the wording is indefinite and does not state specifically what it wants done, I suggest that the house give the leader of the opposition authority to withdraw his amendment so that we may get on with other business.

Mr. W. F. Carroll (Inverness-Richmond): Mr. Speaker, I agree with those who have said that it is well that the leader of the opposition (Mr. Drew) should try to focus public opinion in Canada on the evils of communism. For that reason I think we have not misspent the few hours that have been occupied in discussing this matter. I have followed the debate fairly well. I am not going to suggest whether or not the laws of Canada are sufficient to deal with this menace that has been over our heads for the past fifteen or twenty years. I am going to suggest some things that might be done to allay the ravages of communism in Canada. I practised law in a town in Cape Breton many years ago. In 1915 certain frustrated young men organized something like a Fabian society. Before the first war ended there

became the head of that organization a gentleman who I think introduced the tenets of communism in our part of the country.

Time went on, and eventually he was taken before the courts for having in his possession seditious literature which had been used to teach the young people and many of the older people of the town about the great thing that communism was. That man was sent to the penitentiary for two years for sedition. The purpose accomplished was that the school in which this literature was being used was disbanded. At that time I happened to be a member of the House of Commons, and a petition was presented to the house to obtain a ticket of leave for this man. I was one of those who went to the then minister of justice and suggested to him that he should grant the prayer of the petition and give this man a ticket of leave. I think that was a good thing because up till that time his role was that of a martyr to a glorious cause.

In my younger days when I went to college we had, in the third year of our undergraduate studies, a professor who gave us a course of eighteen lectures on communism as a philosophy. It is too bad that other institutions of learning in Canada have not followed that example. At that time communism of course was not looked on as a world-wide scheme of domination, or anything of that kind. I well remember our grey-haired professor suggesting to his class that the day was coming when this force of communism, which had not then spread to Russia, would in the end attempt to dominate the world. A few years later, when I had earned sufficient money to go to Dalhousie law school, I came in contact with another splendid professor there who was professor of international law. I do not know if there are any others in the house who went to Dalhousie university in those days. Dr. Weldon taught us international law, and one of the points he always dealt with was the danger of communism in international relations.

Coming back to the town where I practised law, Glace Bay, communism was fairly common there. Many of those who were interested in the movement were not really communists. They just thought they were communists. They did not understand the doctrine of communism. If the hundreds of them who joined the movement had known what communism actually was they would no more have gone to these meetings where communism was taught than they would have gone to a leper asylum.

The same college in which I was taught the evils of communism undertook a program in the mining and steel working districts of Cape Breton. They organized at their own cost what was known as an adult education program. They organized clubs, generally in the industrial centres, to deal with adult education. Organization was carried on from the economic standpoint in order to teach the old and the young something about economics, and how to help themselves by the co-operative movement. Those two things were joined together. I believe, Mr. Speaker, that movement did more to remove communism from that area, to the extent that it is removed, than all the criminal statutes and laws that can be put on the statute books of Canada, whether or not they can be enforced.

My own idea is that there should be a new religious crusade in Canada. All religious denominations should co-operate to carry on such a crusade as to awaken the minds and the hearts of the people to the evil influences of communism, not as an economic force at all but as an anti-Christian force. The great and small universities of Canada should also co-operate. Unfortunately, if reports are true, I am afraid that many of our universities are following a course of economy. I believe that there should be co-operation between local governments and the dominion government so far as universities are concerned. I believe that universities should be forced to organize and co-operate in this regard instead of having a situation where certain professors say: Oh, that is all right, and they allow their students to have communistic political meetings and so on.

Since the debate on this matter commenced I have had a conversation with a well-meaning man who has some ideas about communism. Of course he is not a member of the house. He said to me that it is turning back the hands of the clock not to let communists or anybody else have freedom of speech in Canada, a free press and everything else. He said, "Look what they are doing in England". I do not understand the expression "turning back the hand of the clock" as he does. I do not think the hands of the clock should be turned back so far as the matter of time is concerned. Neither do I think the hands of the clock should be turned back so far as eternal truths and verities are concerned. It is often pointed out that England is doing this and England is doing that. England took good care to turn back the hands of the clock so far as freedom was concerned when they cut off the head of Charles I. They turned back the hands of the clock in another sense when they did away with capital punishment for the theft of a loaf of bread. I do not want the hands of the clock turned back in that sense, but neither do I want the hands of the clock to remain as they were either in England or in this country.

We are all proud of the glorious institutions that came from the old land. We are all proud of the constitution that was given us by Great Britain. We are all proud of the just laws that came to this country from England. But I for one, Mr. Speaker, as a Canadian citizen am not content to maintain here the freedom they have in the old land as far as communism is concerned. I do not believe it is the right of any Canadian citizen to put forth the tenets of communism in any public place, through the newspapers or otherwise. If those tenets are properly understood I believe that is a criminal offence today.

I am not going to participate in the discussion as to whether this amendment is proper or whether we have sufficient legislation already. As I said before, I believe this discussion will serve a good purpose, and I believe the leader of the opposition (Mr. Drew) is to be congratulated on having brought this subject forward so that the people may focus their attention upon this evil thing. I understand this is not the first time the hon. gentleman has had something to say about communism. I believe that some years ago some articles appeared in *Maclean's* magazine coming from the pen of the leader of the opposition, which should have brought to the people of this country an awareness that I am afraid many of us do not have even yet of conditions in Russia and of the forces of communism. I tried to get copies of those articles the other day, but could not.

A moment ago I mentioned a crusade. That crusade should not be conducted in the manner of the old crusades, with iron blades and swords; it should be conducted with the keen blades of logic and Christian ethics. But I have one other suggestion to make. When I was on the bench of Nova Scotia I was faced one morning with a habeas corpus proceeding in connection with seventeen men who were being returned from western Canada to their former homes overseas. No objection was taken to the actual proceedings, that is to the face of the papers. The application was for habeas corpus and certiorari in aid; and they took the ground that the persons who were being returned to their own countries had done nothing in Canada and there was no reason why they should be sent away, since they had been brought here as immigrants, and so on. I thought it well to give the Royal Canadian Mounted Police an opportunity to show what these people had been doing in this country, and there came to the witness stand a member of that force of whom many no doubt have heard. He had spent some time in the communist organizations in western Canada, while still a member of the R.C.M.P. but unknown to the members of those organizations. On that occasion he outlined to the court practically the whole communist organization, and proved that most of the men for whom habeas corpus was being sought had been connected with those organizations.

I needed no further evidence; though the case went to the Supreme Court of Canada, those men were sent overseas. I am going to suggest to the Department of Justice and the government that every known communist in this country who is not a Canadian citizen be sent back to the countries where communism is rampant. That could be done by co-operation between the Department of Justice and the immigration department. This is the only reason why the other day I thought I should take part in this debate. I do not want to make this a personal matter in connection with the case I am bringing to the attention of the government, but I would not be at all surprised if the people connected with some of those newspapers mentioned by the leader of the opposition the other day were communists, and not Canadian citizens, and this would be one way of dealing with this matter.

Mr. Clarence Gillis (Cape Breton South): Mr. Speaker, I am not going to take much time because I think practically everything has been said that can be said. I believe the leader of the Social Credit movement (Mr. Low) put his finger on the main problem in his discussion of the matter. Lip service is not going to cure the trouble; neither can it be cured by legalistic means.

I would not have risen at all but for the fact that the last speaker provoked me into doing so. He cited a case in his own community in 1915 as proof that you cannot handle a problem of this kind by regular legal means; and that is my reason for taking part in this discussion. I disagree completely with the hon. member's statement that at that time a group of frustrated young men formed the Fabian society. I would remind the hon. member that his former leader, Right Hon. Mackenzie King, was a member of the Fabian society at one time. It was a non-political organization formed to study the economic problems of the country and work for reform within their respective communities. I would also remind the leader of the opposition (Mr. Drew) that the late Gordon Harrington, who became Conservative premier of Nova Scotia, was also a member of that society.

The hon. member also referred to James B. McLaughlin, who later on went over to the communist party, and said that he was arrested because he was found with seditious literature. That statement was incorrect. I

happened to be there at the time and know the facts. I went through that struggle, and I believe the hon. gentleman was a member of the house at that time. In that case the miners came out on a sympathy strike with the steelworkers. The international president of the mine workers expelled the executive board, and the statement that McLaughlin was taken up for was this: When it came to a matter of law versus the hunger of women and children, so far as he was concerned he was on the side of the hungry. If you will recall, at that time there were some four or five hundred thugs on horses who indiscriminately rode down women and children in a subway—

Mr. Carroll: May I ask the hon. gentleman to what year he is referring?

Mr. Gillis: I am referring to 1921 and 1923.

Mr. Carroll: I may tell him that I had occasion to look over the literature that was found in Mr. McLaughlin's possession.

Mr. Gillis: But that was not why he was picked up. The reason the miners entered that struggle—I was a miner and McLaughlin was the secretary-treasurer of the organization—was that four or five hundred thugs on horses indiscriminately rode down the women and children who were coming from church. It was because of a statement McLaughlin made in connection with that incident that he was arrested and sentenced to five years in Dorchester penitentiary.

I want to bring to the hon. member's attention that, during the course of the trial, Attorney General O'Hearn admitted that perhaps the case was not quite in order. He said that there was a time when it was a crime to tell the truth, and that was when it might inflame the people. I just wanted to set the record straight on that question. The Fabian society was not a body of frustrated young men. I knew many of them personally, and I always considered them the leaders in the community. As I said before, this business of attempting to suppress communism by legalistic means is practically impossible.

I should like to ask my legal friends in the house this question. Suppose the government took the stand that it was going to outlaw communism in this country, I do not suppose there is anyone in this house, or in the Royal Canadian Mounted Police, who could prove that anyone was a communist. It would be necessary to prove that he was a member of the organization. Every communist of any importance in this country today is instructed not to carry a card, or any means of identifying himself with the party. If Tim Buck were arrested tomorrow, and were made to stand trial as being a member of the communist party, how could his membership in the party be proven? It cannot be done. In my opinion, there is no way of combating communism except in the manner suggested by the leader of the Social Credit party. There are 400,000 unemployed in this country. Every one of those boys is a potential communist. Unless ways and means are devised of giving them something to do, or of maintaining them while they are unemployed, we shall not find the answer to communism. If that is not done the organizers and the "smoothies" to whom the hon. member for Peace River (Mr. Low) referred can convert these men to their doctrine. These men will not say they are living in a democratic country, or that they have freedom, when they have not the right to work and the right to live as decent citizens. They are fertile soil for communist propaganda. This problem of unemployment must be solved.

Yesterday I suggested to the Minister of Labour (Mr. Mitchell) that the unemployment insurance supplementary benefits be extended for a month. The minister said that unemployment is decreasing. It is not decreasing, and the department's figures show that it is not. There are no greater employment opportunities today than there were a month ago. If the problem is allowed to continue in that way, then we are handing over that body of men to the communist party. The causes of unemployment have to be removed. Another problem is the refusal of employers in this country to permit trade union organizations. In the gold mining industry in the north, the employer stands with a stick over the head of the worker denying him the right to organize and enjoy collective bargaining. Today our greatest instrument against communism is the trade union movement. In both congresses they are fighting the communists; they are throwing them out and placing them in a position where they cannot do their work. Still the employer refuses his employees their democratic right in industry, which would permit them to take their place in these congresses and carry on the fight against communism in that way.

I do not want to delay the house, Mr. Speaker. The member for Rosetown-Biggar (Mr. Coldwell) and three of our group have spoken. I agree with practically everything that has been said by them, and I merely entered the debate because the hon. member for Inverness-Richmond (Mr. Carroll) provoked my thoughts on a point about which I do not believe he was quite accurate.

Mr. A. L. Smith (Calgary West): I shall be quite brief, Mr. Speaker. I intend what I say to be aimed at bringing this matter down to a point of reality. I am not going to enter into any discussion as to whether or not the statutes which we have today are sufficient. I have had considerable experience with this crime called sedition, and have on occasion had some part in finding quite a number of persons guilty of that crime. I am sorry that in this debate there has arisen any suggestion as to the division of responsibility, or a passing of responsibility from one set of authorities to another.

I say that for this reason. Sedition, under the old section 98 or any new legislation which may be proposed and passed, necessarily has to do with the security of the state, and the security of our form of government, from which necessarily flows the freedom and security of our way of life. I do not think it is sufficient for anyone to say this is not the business of the dominion. The enforcement of the law and the Criminal Code rests with the provinces, but that has not been so in many instances where the government itself has felt that action was necessary. For example, I know personally that counsel are engaged and paid for by the dominion government in prosecuting cases under the Combines Investigation Act, or under those sections of the code which to my mind roughly do the same thing as the act itself. That was done because our way of doing business was threatened, because competition had been stifled. Under those circumstances, the dominion government—I am not saying a political word—as an entity has gone into the courts and taken charge of prosecutions of that kind.

Some time ago I referred to the royal commission, or the spy trials, as they are called. The dominion government, and more power to them, had no hesitation in taking two judges from our supreme court bench, in retaining the best available counsel, or in retaining the whole structure of the Royal Canadian Mounted Police on that investigation, and subsequently accepted responsibility and directed those prosecutions. What for? For the very same purpose that we are talking about now. A great many fancy expressions are used which are really meaningless, Mr. Speaker. For more years than I can remember, I had been told of the great danger of driving communism underground. Physically, of course, that is impossible. From a mental standpoint or from the activity standpoint, I was much interested in what was said by the hon. member for Cape Breton South (Mr. Gillis) a moment ago, to the effect that if you arrested Tim Buck today you would have difficulty in proving that he was a communist because, although you have his many admissions, you have not a recent one. What is that but being underground? Let us stop this nonsense of filling ourselves full of fear of driving something underground when it is underground now, just as far underground as it can possibly get.

Where do I go from there? What inference do I think may be fairly drawn from the many things said here, one or two of which I have said myself? I think every member of the House of Commons must make up his mind on one thing first. Is this thing here? Is it a menace? May this cold war lead to a fighting war? Do we believe that it may? I do, and I have no hesitation in saying so. That being so, personal safety and the preservation of one's life is certainly still nature's first law. As I am one of those who believe that all we read of the cold war is a matter of gaining time for some other kind of war, and as I believe the great idea of Moscow is to dominate this continent, I am proud to be one of those who will say: "I will do everything I can—and I will not have great regard for the niceties of phrasing—to fight that thing which in time may attack my children and my grandchildren." That is my view of what is going on at the present time. And I am not pleased—let me put it that way—with some of the niceties that we have been debating.

Let us just take a look at what appears in tonight's *Journal*. I will not read this *in extenso*, Mr. Speaker, but I do not know how many have seen it. The heading is "Red Dean Predicts Red World" and the article reads in part as follows:

> Soviet might and manpower will smash the western democracies if war comes, Rev. Dr. Hewlett Johnson, the Red Dean of Canterbury, this morning told the *Journal*. He is a self-avowed communist.
>
> The Red Dean said further:
>
> 1. War was imminent.
>
> 2. The democracies didn't have a chance of surviving, "not a dog's chance."

Mr. Sinnott: Put him in the clink.

Mr. Smith (Calgary West): That goes on for two columns. It should be read by everyone in this house. I think it is about time that that hairy old goat was either put in jail or put in his favourite spot. I am going to mention names. I say the same thing about this man Endicott whose father was put up at my own home many times years ago when attending a Methodist conference. But to think that we are going to sit back—complacently, if you like—and permit that sort of thing to go on without taking advantage of

what law we have is a mistake; and if we have not got enough, let us get a law to take care of blackguardism like that.

Any man in Canada, be he a Canadian or not, who recognizes and believes in some authority greater than that in his own country, I would certainly put in jail or put back in his favourite spot; and God rest his soul after that if these Russians ever got hold of him. We have got to put teeth in our law. I know that is an old expression. But as members of the House of Commons, let us make up our minds on this question: Is this thing real? That man quotes Stalin again and again in this interview as to what he thinks of it. He does not think war is imminent but it is inevitable. If it be true—and I am perhaps stupid enough to think that it is—that this cold war is a stalling for time for the shooting war that this beast of Moscow is going to let loose on this world when it suits him, he will have his Red Deans and his Endicotts commanding the fifth column legions right here in the Dominion of Canada.

No, Mr. Speaker, we cannot just sit back. We cannot just say, "This will wear itself out; it will wash away with the purity of our motives. It will wash away because we are going to grubstake them, we are going to sleep them and so on." That is nonsense. This is a bitter force being prepared to be unleashed upon us. We have done the best we can in the league of nations. Everywhere we have done the best we can, giving away and giving away; and at the same time giving away innocent souls in Europe and in Asia. So far as I am concerned, this is my reaction—and I think we would be all in agreement—on reading stuff like this, and as to believing it as coming from a man of God. Perhaps I should apologize for having used that expression; perhaps I should say from a man who assumes to be a man of God. In an interview the other day Endicott told our own Secretary of State for External Affairs (Mr. Pearson) that Pearson goes on making war in his own way. Surely there is some pride left in us. Surely we do not need to take that. Surely we should put these rabble-rousing cutthroats where they belong—and that is in jail—or send them to some other country which, let me pray God, may be a long distance from here.

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

Some hon. Members: Question.

Mr. Speaker: The question is on the amendment. Shall the amendment carry?

Some hon. Members: Carried.

[Mr. Smith (Calgary West).]

Mr. Coldwell: Question.

Mr. Speaker: Those in favour of the amendment will please say "yea".

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say "nay".

Some hon. Members: Nay.

Mr. Speaker: In my opinion, the "nays" have it.

And more than five members having risen:

Mr. Speaker: Call in the members.

The house divided on the amendment (Mr. Drew) which was negatived on the following division:

YEAS

Messrs:

Adamson	Higgins
Black (Cumberland)	Hodgson
Blair	Homuth
Brooks	LaCroix
Browne (St. John's West)	Lennard
Casselman	Macdonnell (Greenwood)
Catherwood	McGregor
Coyle	McLure
Drew	Pearkes
Fleming	Poulin
Fraser	Ross (Souris)
Fulton	Stanfield
Gagnon	Tustin
Graydon	White (Hastings-Peterborough)
Green	White (Middlesex East)
Harkness	—32.
Harris (Danforth)	

NAYS

Messrs:

Abbott	Croll
Anderson	Darroch
Applewhaite	Dechene
Argue	Decore
Ashbourne	Dewar
Bater	Dion
Beaudoin	Douglas
Benidickson	Eudes
Bennett	Eyre
Beyerstein	Fair
Blackmore	Fauteux
Blanchette	Ferrie
Blue	Follwell
Boisvert	Fournier (Hull)
Bonnier	Fournier (Maisonneuve-Rosemont)
Bradette	Fulford
Brisson	Gardiner
Brown (Essex West)	Garland
Bruneau	Garson
Bryce	Gauthier (Sudbury)
Byrne	Gauthier (Lapointe)
Cameron	Gauthier (Portneuf)
Campney	George
Cannon	Gibson
Carroll	Gillis
Carter	Gingras
Cavers	Gingues
Clark	Gosselin
Claxton	Gour (Russell)
Cleaver	Gourd (Chapleau)
Cloutier	Gregg
Coldwell	Hansell
Corry	

Harrison	Monette
Hellyer	Murray (Oxford)
Helme	Mutch
Henderson	Nadon
Henry	Nixon
Herridge	Noseworthy
Hetland	Pinard
Hosking	Pouliot
Huffman	Proudfoot
Hunter	Prudham
James	Quelch
Jones	Ratelle
Kent	Richard (St. Maurice-Lafleche)
Kickham	Riley
Kirk (Antigonish-Guysborough)	Robertson
Knight	Rochefort
Knowles	Rooney
Lafontaine	St. Laurent
Langlois (Berthier-Maskinonge)	Simmons
Langlois (Gaspe)	Sinnott
Lapointe	Smith (Queens-Shelburne)
Leduc	Smith (York North)
Lefrançois	Smith (Moose Mountain)
Lesage	Stewart (Yorkton)
Little	Stewart (Winnipeg North)
Low	Stick
MacDougall	Stuart (Charlotte)
MacInnis	Studer
MacKenzie	Thomson
MacLean (Cape Breton North and Victoria)	Tremblay
MacNaught	Valois
Macnaughton	Warren
McCubbin	Weaver
McCulloch	Weir
McCusker	Welbourn
McIlraith	Whiteside
McLean (Huron-Perth)	Whitman
McWilliam	Winkler
Masse	Winters
Matthews	Wood
Mitchell	Wright—147.

Mr. Speaker: I declare the amendment lost. Before putting the question on the main motion may I say that several times during this session members have entered the chamber after the question has been put and have voted, not having heard the question. I thought I should bring the rule to the attention of the house because the irregularity was brought to my attention a few minutes ago when a division was being recorded.

I did not interfere at that time because it is set forth in the rule that a point of order raised during a division should be settled after the division has been completed. That provision is found in citation 94 of Beauchesne's third edition. I would also remind hon. members of citation 89 in the same edition which reads as follows:

When the question is put, a member must be in his seat or else his vote cannot be recorded.

I would also remind hon. members of standing order 12(2) which states:

When Mr. Speaker is putting a question, no member shall walk out of or across the house, or make any noise or disturbance.

I bring these citations and the standing order to the attention of hon. members, trusting that in future they will be observed when a division is being taken.

Mr. Gardiner: Mr. Speaker, either as a matter of privilege or on a point of order let me say that, in view of the rule, I think there ought to be a bell in this building loud enough so that I can hear it in my office.

Mr. Speaker: I shall bring the representation of the minister to the attention of the Sergeant-at-Arms. Is the house ready for the question?

Mr. Bryce: Mr. Speaker, may I call it six o'clock?

Mr. Speaker: The hon. member for Selkirk.

Mr. Fournier (Hull): Mr. Speaker, the purpose was just to call three items, which would be put off until nine o'clock. The intention of the government is to answer the questions concerning mail service to certain people in the country. We have been endeavouring for two weeks to get to that statement. If the hon. member had no objection, we would like to call those items.

Mr. Bryce: I have been waiting for two weeks to raise this question. It is too big to bring up on a question of privilege, and I have to straighten out this matter, for the benefit of the western farmers. I will be only about ten minutes.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

PRIVATE BILLS

CONSIDERED IN COMMITTEE—THIRD READINGS

Bill No. 85, to incorporate Ukrainian National Federation of Canada.—Mr. Maybank.

Bill No. 18, for the relief of Doris Joan Guest Rigg.—Mr. Winkler.

Bill No. 19, for the relief of Cora Elizabeth Jamieson Southam.—Mr. Winkler.

Bill No. 20, for the relief of Audrey Brenda Holmes Burnett.—Mr. Winkler.

Bill No. 21, for the relief of Barbara Edna Brownrigg Johnson.—Mr. Winkler.

Bill No. 22, for the relief of Aili Katriina Salokannel Martel.—Mr. Winkler.

Bill No. 23, for the relief of Velma Elizabeth Buchanan Lowson.—Mr. Winkler.

Bill No. 24, for the relief of Gladys Harriet Hassall Thom.—Mr. Winkler.

Bill No. 25, for the relief of Elisabeth Mavis Cann Jousse.—Mr. Winkler.

Private Bills—Divorce

Bill No. 26, for the relief of Eric Lacate.—Mr. Winkler.

Bill No. 27, for the relief of Dorothy Margaret May Harris McCormick.—Mr. Winkler.

Bill No. 28, for the relief of Sigrid Denston Day.—Mr. Winkler.

Bill No. 29, for the relief of Beatrice Campbell McClay.—Mr. Winkler.

Bill No. 30, for the relief of Catherine C. Goodrow Rogers.—Mr. Winkler.

Bill No. 31, for the relief of Miriam Roberta Weir Caryer.—Mr. Winkler.

Bill No. 32, for the relief of Marjorie Frances Murphy Cozzolino.—Mr. Winkler.

Bill No. 33, for the relief of Mary Thomson Cadieux.—Mr. Winkler.

Bill No. 34, for the relief of Veronica Pearl Faulkner MacKenzie.—Mr. Winkler.

Bill No. 35, for the relief of Elizabeth Hampshier Atyon Reilley.—Mr. Winkler.

Bill No. 36, for the relief of Sybil Elliott Karr Boulanger.—Mr. Winkler.

Bill No. 37, for the relief of Mary Kennedy Dunn Anderson.—Mr. Winkler.

Bill No. 38, for the relief of Albert Ernest Curtis.—Mr. Winkler.

Bill No. 39, for the relief of Annie Swales Barber.—Mr. Winkler.

Bill No. 40, for the relief of Rebecca Catherine Pitts Duquette.—Mr. Winkler.

Bill No. 41, for the relief of Edith Mary Stone Ryan.—Mr. Winkler.

Bill No. 42, for the relief of Pearl Greenspan Abramovitz.—Mr. Winkler.

Bill No. 43, for the relief of Harry Rudner.—Mr. Winkler.

Bill No. 44, for the relief of Dorothea Joan Lawrence Gamble.—Mr. Winkler.

Bill No. 45, for the relief of Walter St. Andre Bawn.—Mr. Winkler.

Bill No. 46, for the relief of Alison Hamilton Brown Weldon.—Mr. Winkler.

Bill No. 47, for the relief of Hazel May Wilkie MacLeod.—Mr. Winkler.

Bill No. 48, for the relief of William Gordon Cascadden.—Mr. Winkler.

Bill No. 49, for the relief of Romeo Lefebvre.—Mr. Winkler.

Bill No. 50, for the relief of Kathleen Veronica Thompson Davidson.—Mr. Winkler.

Bill No. 51, for the relief of Joseph Arthur Winsorlow Brisebois.—Mr. Winkler.

Bill No. 52, for the relief of Margaret May Tuck Reicker.—Mr. Winkler.

Bill No. 53, for the relief of Mabel Kearley Budgell.—Mr. Winkler.

Bill No. 57, for the relief of Zina Sarah Fletcher Tannenbaum.—Mr. Winkler.

Bill No. 58, for the relief of Fred Marcus.—Mr. Winkler.

Bill No. 59, for the relief of Belva Rubin Bercusson.—Mr. Winkler.

Bill No. 60, for the relief of Reginald E. Martin.—Mr. Winkler.

Bill No. 61, for the relief of Dora Moore Holland Towers.—Mr. Winkler.

Bill No. 62, for the relief of Betty Benditsky Kursner Kobernick.—Mr. Winkler.

Bill No. 63, for the relief of Elizabeth Goodman Goldberg.—Mr. Winkler.

Bill No. 64, for the relief of Helene Eugenie Hortense Holmes Said.—Mr. Winkler.

Bill No. 65, for the relief of Amanda Doris Drachler Segalowitz, otherwise known as Amanda Doris Drachler Selton.—Mr. Winkler.

Bill No. 66, for the relief of Florence Druckman Oliver.—Mr. Winkler.

Bill No. 67, for the relief of Albert Gedeon Martin.—Mr. Winkler.

Bill No. 68, for the relief of Brandel Avrutick Cutler.—Mr. Winkler.

Bill No. 69, for the relief of Freda Geraldine Rodgers.—Mr. Winkler.

Bill No. 70, for the relief of Hattie May Dawson Wood.—Mr. Winkler.

Bill No. 71, for the relief of Marie Yvonne Bouchard O'Rourke.—Mr. Winkler.

Bill No. 72, for the relief of Ethel Margaret Murphy Watson.—Mr. Winkler.

Bill No. 73, for the relief of Clifford Willis Collins.—Mr. Winkler.

Bill No. 74, for the relief of Alfred Beatty Harris.—Mr. Winkler.

Bill No. 75, for the relief of Claire Jeanne D'Arc Sagala De Montignac.—Mr. Winkler.

Bill No. 76, for the relief of Nora Maria De Montignac Des Jardins.—Mr. Winkler.

Bill No. 77, for the relief of Rita Annie Wylie Morrow.—Mr. Winkler.

Bill No. 78, for the relief of Olga Veleky Stepanovitch.—Mr. Winkler.

Bill No. 79, for the relief of Beatrice Norma Sabbath Finestone.—Mr. Winkler.

Bill No. 80, for the relief of Adele Kuznetz Paquette.—Mr. Winkler.

Bill No. 91, for the relief of Jessie Ferguson Deans McKenzie.—Mr. Winkler.

Bill No. 92, for the relief of Daisy Muriel Smallcombe Devaney.—Mr. Winkler.

Bill No. 93, for the relief of Stella Burns Herdman Elder.—Mr. Winkler.

Bill No. 94, for the relief of Ethel May Alice Turnbull Colligan.—Mr. Winkler.

Bill No. 95, for the relief of Effie Irene Collier Newman.—Mr. Winkler.

Bill No. 96, for the relief of Phyllis Anne England McNab.—Mr. Winkler.

Bill No. 97, for the relief of Martha Jean Brooks Markell.—Mr. Winkler.

Bill No. 98, for the relief of Kathleen Zawitkoska Symianick.—Mr. Winkler.

Bill No. 99, for the relief of Jeannine Martineau Masse.—Mr. Winkler.

Bill No. 100, for the relief of Betty Borman Archambault.—Mr. Winkler.

Bill No. 101, for the relief of Edwin Dawson.—Mr. Winkler.

Bill No. 102, for the relief of Mavis Barker Billingham.—Mr. Winkler.

Bill No. 103, for the relief of Roland Gour. —Mr. Winkler.

Bill No. 104, for the relief of Margaret Elizabeth Taylor Clarke.—Mr. Winkler.

Bill No. 105, for the relief of Sylvia Singer Mepham.—Mr. Winkler.

Bill No. 106, for the relief of Mabel Kathleen Baxter Simons.—Mr. Winkler.

Bill No. 107, for the relief of Vittoria Minotti Mastracchio.—Mr. Winkler.

Bill No. 108, for the relief of Dent Harrison. —Mr. Winkler.

Bill No. 109, for the relief of Margaret Mahajahla Aitken Schoch.—Mr. Winkler.

Bill No. 110, for the relief of Esther Spector Gelfand.—Mr. Winkler.

Bill No. 111, for the relief of Sophie Roth Pliss.—Mr. Winkler.

Bill No. 112, for the relief of Gertrude Howard McWilliams Rubin.—Mr. Winkler.

Bill No. 113, for the relief of Remenia Bertha Duguay Briggs.—Mr. Winkler.

Bill No. 114, for the relief of Blanche Naomi Greenlees.—Mr. Winkler.

Bill No. 115, for the relief of Leslie William McNally.—Mr. Winkler.

Bill No. 116, for the relief of Jacqueline Marie Scully Sirois.—Mr. Winkler.

Bill No. 117, for the relief of Phyllis Christina McLeod Daly.—Mr. Winkler.

Bill No. 118, for the relief of Winnie Florence Clitheroe DuVal.—Mr. Winkler.

Bill No. 119, for the relief of Muriel Elizabeth McCurry Welham.—Mr. Winkler.

Bill No. 120, for the relief of Betty Margaret Slinn Metivier.—Mr. Winkler.

Bill No. 121, for the relief of Fanny Abramowitch Mergler.—Mr. Winkler.

Bill No. 122, for the relief of John Wood. —Mr. Winkler.

Bill No. 123, for the relief of Olivia Mary Tipping Morris.—Mr. Winkler.

Bill No. 124, for the relief of Mable Veronica Askin Williamson.—Mr. Winkler.

Bill No. 125, for the relief of Christina Rachel MacLeod Nicholson.—Mr. Winkler.

Bill No. 126, for the relief of Anne Halperin Perelmutter.—Mr. Winkler.

Bill No. 127, for the relief of Phyllis Rochlin Rabinovitch.—Mr. Winkler.

Bill No. 128, for the relief of Mary Kaybridge Goulbourn.—Mr. Winkler.

Bill No. 129, for the relief of Muriel Alice Mary Westgate.—Mr. Winkler.

Bill No. 130, for the relief of John Elliot Cumming.—Mr. Winkler.

SECOND READINGS—SENATE BILLS

Mr. H. W. Winkler (Lisgar) moved that the following bills be read the second time:

Bill No. 136, for the relief of Ethel Bell Lifshitz.—Mr. Winkler.

Bill No. 137, for the relief of Martin Matthew Waagemans.—Mr. Winkler.

Bill No. 138, for the relief of Elaine Ruby Cooper Pierre.—Mr. Winkler.

Bill No. 139, for the relief of Gertrude Toulch Standard.—Mr. Winkler.

Bill No. 140, for the relief of Thomas Gordon Williams.—Mr. Winkler.

Bill No. 141, for the relief of Ethel Lerner Baker.—Mr. Winkler.

Bill No. 142, for the relief of Robert Earl Skinner.—Mr. Winkler.

Bill No. 143, for the relief of Chasia Berger Wolf.—Mr. Winkler.

Bill No. 144, for the relief of Henry William Askew.—Mr. Winkler.

Bill No. 145, for the relief of Leman Makinson.—Mr. Winkler.

Bill No. 146, for the relief of Rose Anna Levesque Kirkland.—Mr. Winkler.

Bill No. 147, for the relief of Douglas Barrymore Stone.—Mr. Winkler.

Bill No. 148, for the relief of Nancy Doria Evan-Wong Meade.—Mr. Winkler.

Bill No. 149, for the relief of Louise Elizabeth Garner Mitchell.—Mr. Winkler.

Bill No. 150, for the relief of Vivian Pearl McCrea Gunning.—Mr. Winkler.

Bill No. 151, for the relief of George Bruce Lancaster.—Mr. Winkler.

Bill No. 154, for the relief of Lillian Soper Pearce Smith.—Mr. Winkler.

Bill No. 155, for the relief of Antoinette Carriere Lepine.—Mr. Winkler.

Bill No. 156, for the relief of Marjorie Blythe Shore Marriott.—Mr. Winkler.

Bill No. 157, for the relief of Norman Harold Lucas.—Mr. Winkler.

Bill No. 158, for the relief of Blanche Irene Aurore Schryer Batryn.—Mr. Winkler.

Bill No. 159, for the relief of Leah Judith Godfrey Green.—Mr. Winkler.

Bill No. 160, for the relief of Phyllis Martin Payne.—Mr. Winkler.

Bill No. 161, for the relief of Geraldine Estelle Leduc Brunet.—Mr. Winkler.

Bill No. 162, for the relief of John Allen Young.—Mr. Winkler.

Bill No. 163, for the relief of Laura Kathleen Potter Stewart.—Mr. Winkler.

Bill No. 164, for the relief of Edna Hannah Keene Ley.—Mr. Winkler.

Bill No. 165, for the relief of Ada Friedman Mendelsohn.—Mr. Winkler.

Bill No. 166, for the relief of Ann Mitchell Rabinovitch.—Mr. Winkler.

Alberta Natural Gas Company

Bill No. 167, for the relief of Ernest Joseph Poirier.—Mr. Winkler.

Bill No. 168, for the relief of Maria De Gregoria Zarbatany.—Mr. Winkler.

Bill No. 169, for the relief of Jean Paul Verret.—Mr. Winkler.

Bill No. 170, for the relief of Gladys Eileen Hungate Norman.—Mr. Winkler.

Bill No. 171, for the relief of Marie-Anne Alice Lalonde Campey.—Mr. Winkler.

Bill No. 172, for the relief of Sadye Gasn Blidner.—Mr. Winkler.

Bill No. 173, for the relief of Lera Mary Rombough Kirkey.—Mr. Winkler.

Bill No. 174, for the relief of Micheline Loranger Major.—Mr. Winkler.

Bill No. 175, for the relief of Jane Letitia Hardie Ball.—Mr. Winkler.

Bill No. 176, for the relief of Russell Mowbray Meredith.—Mr. Winkler.

Motion agreed to and bills read the second time.

Mr. Speaker: These bills are referred to the standing committee on miscellaneous private bills.

ALBERTA NATURAL GAS COMPANY

The house resumed, from Monday, May 8, consideration in committee of Bill No. 7, to incorporate Alberta Natural Gas Company—Mr. Maybank—Mr. Dion in the chair.

On section 1—*Incorporation.*

Mr. Drew: Mr. Chairman, in the few minutes that I was speaking on the bill last night I had referred to the provisions of the Electricity and Fluid Exportation Act passed in 1907 and still the law governing the exportation of gas or other power from Canada. I had read the two sections directly affecting this discussion, sections 5 and 6, just before adjournment last night. I had pointed out that under those sections no person or corporation may construct any pipe line which has as its purpose the export of power, electricity or any fluid, without a licence granted by the government of Canada. It is in relation to that very clear provision of the Electricity and Fluid Exportation Act that I should like to read briefly from the statement of the Prime Minister on Friday, May 5, as reported at page 2228 of *Hansard.*

These are his words:

Parliament last year determined that this matter would be one to be turned over to the board of transport commissioners; and for the government to attempt to usurp the functions of the board of transport commissioners would be contempt of the will of parliament expressed in the Pipe Lines Act.

Further, on page 2229 the Prime Minister said:

By that statute parliament placed jurisdiction and responsibility for considering the whole question upon the board of transport commissioners.

[Mr. Winkler.]

I can only conclude that the Prime Minister was speaking without adequate consideration, because the words I have quoted are directly contrary to the actual situation. The bill passed last year, under which the present bills are brought before parliament to incorporate pipe line companies, did not by any stretch of the imagination place the whole jurisdiction and responsibility in the hands of the board of transport commissioners. That has been very definitely decided outside this parliament since that act was passed so hastily, with so little information and so little understanding of its effects, when it came before this house last spring. As hon. members who were present at that time will recall, and as hon. members who have been listening to this extended debate for some time, some of them very impatiently, will remember, one of the companies that received incorporation by statute was the Interprovincial Pipe Line Company. That company sought authority from the board of transport commissioners to construct a pipe line which among other things would have provided for the export of gas and oil. On September 12 of last year the board gave its judgment on that application, and I wish to read into the record the latter part of that judgment, which has a bearing on any clear understanding of what is the actual relationship of the board of transport commissioners to this whole question of final authority over the routing of the line and the export of gas and oil. The judgment states:

It will be necessary for the Interprovincial Company to have from the governor in council a licence to construct a pipe line which will carry the oil outside Canada and (2) that it will be necessary for the Imperial Oil Company to have a licence for the export of oil.

The acting deputy minister of the Department of Trade and Commerce was represented at the hearing by the assistant deputy minister of that department, and he indicated positively to the board that the Department of Trade and Commerce favourably considered the proposed pipe line and furnished the necessary recommendations. Here are Mr. Master's words:

"Mr. Chairman, I wish to state now definitely that any application that is required for the export from the Department of Trade and Commerce will be issued by the department—any permit that is required—and that the department favours the project in accordance with the applications. I wish to make that a positive and definite statement.

The Chief Commissioner: Have you any comments, Mr. Coyne, with respect to that assurance?

Mr. Coyne: No.

The Chief Commissioner: I suppose that covers the licence to construct to the border, the two licences?

Mr. Master: Yes, both."

This board therefore approves the application and a formal order to that effect (the said line to be completed on or before the 31st day of October, 1951) will issue as soon as certified copies of said licences have been filed with the board's secretary.

That judgment was perfectly clear. The board of transport commissioners have no authority to approve or otherwise where export is involved until, under section 6 of the Electricity and Fluid Exportation Act, the government has granted an appropriate licence and approved the project. With that judgment of September 12 before them the government dealt with this subject on September 13, the following day. This is a certified true copy of the minutes of that meeting of the committee of the privy council:

The committee of the privy council have had before them a report from the Minister of Trade and Commerce representing:

That under the provisions of the Electricity and Fluid Exportation Act, revised statutes of Canada, 1927, chapter 54, no person shall, without a licence, construct or place in position any line of wire or other conductor for the exportation of power, or any pipe line or other like contrivance for the exportation of fluid;

That an application has been received from Interprovincial Pipe Line Company of Edmonton, Alberta, to construct a pipe line for the export of crude oil to connect at the border of Canada and the United States of America at or near Gretna, Manitoba, with a pipe line to be constructed in the United States;

That, in the opinion of the minister, the construction of the pipe line by Interprovincial Pipe Line Company is in the national interests of Canada.

The committee, therefore, on the recommendation of the Minister of Trade and Commerce, advise that under the provisions of the Electricity and Fluid Exportation Act, a licence, in accordance with the form attached hereto, to construct a pipe line to connect at the border of Canada and the United States of America at or near Gretna, Manitoba, with a pipe line to be constructed in the United States, be granted to Interprovincial Pipe Line Company of Edmonton, Alberta, accordingly.

Having regard to the statement by the Prime Minister on Friday last that it would be contempt of the will of parliament if the government sought to exercise some control over this matter, let me read the licence that was issued by the deputy minister of trade and commerce in accordance with that decision:

Pursuant to order in council—of the—day of—

I am simply placing the form on record.

—Interprovincial Pipe Line Company, carrying on business in the city of Edmonton in the province of Alberta, is hereby licensed to construct a pipe line for the exportation of crude oil, the said line to connect at the boundary of Canada and the United States of America at or near Gretna, Manitoba, with a pipe line to be constructed in the United States—

These are the words I wish to emphasize.

—as shown on a plan filed with the Department of Trade and Commerce on September 10, 1949. This licence covers the construction of one pipe line with an inside diameter of pipes of approximately 17$\frac{1}{16}$ inches . . .

Then it goes on with various details as to the type of pipe line, the location, and as to this line being carried through Saskatchewan and Manitoba to Superior, Wisconsin. The point I should like to make, and that I should like to impress upon the members of this house, is that before the board of transport commissioners was in a position to consider the exercise of its authority the government had before it a plan showing where the line was to go, and it was the government that approved the actual route and location of the pipe line. They issued that certificate and recommendation upon which the board of transport commissioners acted. For that reason, it is quite clear from the record of the proceedings in the case of the Interprovincial Pipe Line Company, which obtained its authority under the very act to which the Prime Minister was referring, that it is the executive of this parliament which has the real authority to say where a pipe line will go, and under what terms it will be constructed, where any question of export arises.

It was only after these steps had been taken that the board of transport commissioners finally acted on this matter. It was on Thursday, September 15, 1949, that they issued the following order. I shall quote the body of that order dated September 15, 1949, and I do so because this completes the actual transaction which gave the Interprovincial Pipe Line Company the authority to proceed.

Upon hearing the application at the sittings of the board held in Ottawa, September 8 and 12, 1949, in the presence of counsel and representatives for the applicant, the province of Alberta, the Department of Trade and Commerce, the Canadian Pacific Railway Company, the city of Port Arthur and the board of trade of Fort William, . . .

It is ordered that leave be, and it is hereby, granted to the Interprovincial Pipe Line Company to construct a pipe line for the transportation of oil from a point in the vicinity of the city of Regina, in the province of Saskatchewan, to a point in the vicinity of the village of Gretna, in the province of Manitoba; the said pipe line to be constructed and completed on or before October 31, 1951.

That order was signed by Mr. Archibald, chief commissioner of the Board of Transport Commissioners for Canada.

In the event that there be any suggestion that this procedure related only to the Interprovincial Pipe Line Company, I would point out that exactly the same procedure was followed when the Westcoast Transmission Company Limited made application to the board of transport commissioners. On September 21 the board announced that it could not deal with the application on the ground that permission to export would be required from the federal authorities if the pipe line were to be built, in view of the fact that export was an incident of the running of this pipe line. Therefore we have this as an established

practice. We know that these applicants in each case contemplate the export of gas or oil, or both, no matter what arrangement may be made for the construction of a pipe line within Canada and the use of that gas and oil, or both, in Canada. That leaves in the hands of the government the ultimate responsibility for the actual decision, although in the sequence of time the last order which is made is the order made by the board of transport commissioners. But as has been decided in the case of the Interprovincial Pipe Line, which did ultimately receive authority to construct its pipe line, and as in the case of the Westcoast Transmission, which did not receive authority, the board of transport commissioners made it clear beyond any shadow of a doubt that the government must exercise its judgment under section 6 of the Electricity and Fluid Exportation Act.

In view of the repeated suggestions which have been made, first of all by the Minister of Trade and Commerce (Mr. Howe) and other ministers when this bill was in second reading, that we should just let it go through second reading and trust to the committee, which denied the full information when it did get there, and now that it has passed there the Prime Minister tells us we should let it go to the board of transport commissioners because they are the ones who can deal with it, it is interesting to go back to see how different an opinion was held on earlier occasions by another prime minister of this government. This subject of the effect of the Electricity and Fluid Exportation Act was under consideration in this house on March 10, 1938. At that time the then prime minister of Canada had introduced a bill, which was Bill No. 21 of that session, and which was approved by the House of Commons on March 25, 1938. That bill was passed for the purpose of bringing the control of export in detail before the parliament of Canada. Actually, that bill did not come into effect. It did not pass the Senate. I might explain that it was not one of those rare occasions when the Senate has exercised authority of this kind, but the bill did not proceed because of a letter received from Mr. Cordell Hull, then secretary of state for the United States. This letter informed the government of Canada that, with circumstances as they were at that particular time, it was not the intention of the government of the United States to press for the export of power to that country. There were reasons which were obvious in relation to the date of the bill itself why both countries needed all the available electric power they had.

It is interesting to read the views expressed by the prime minister of those days, whose opinions have been acclaimed on many occasions by those who are now so openly making this, in effect, a government bill. Mr. King is reported at page 1196 of the *Hansard* of that session to have read into the record a quotation from the Ottawa *Citizen*; and the Ottawa *Citizen* of May 5, 1925, to which he referred had this heading which is very significant in the light of the discussion that has taken place here. This was the heading: "Places Interest of Canada First on Power Issue". Then the *Citizen* of May 5, 1925, quoted by Mr. King in 1938, had this to say:

> Premier King Says This Chief Consideration in Reaching Decision on Export Question.
> Deputation Urges Carillon Scheme.
> Prime Minister Says It's National Problem.
> Cabinet to Discuss It.
>
> That the future of Canada would be the first consideration in the question of permitting the export of electrical energy to United States was stated by the Prime Minister yesterday afternoon in replying to a large and representative delegation from the the municipalities bordering on the Ottawa river. The delegates came to urge the administration to grant permission to export power from the proposed development at Carillon . . .
>
> The Prime Minister replied that the problem which the government had to consider was not local to the Ottawa valley, but had its national, international, and interprovincial viewpoints. The government had only one desire, namely, to further the public interest. When private interest could be helped without injuring the public interest, it was desirable to help it also.
>
> The main question for the government was to decide for the public interest, and in the export of power it was necessary to see that the future of the country was not prejudiced in any way.

It surely is significant and interesting, Mr. Speaker, that the prime minister who preceded the present Prime Minister (Mr. St. Laurent) expressed an opinion which was condensed into these words: "Places interest of Canada first on power issue". That is exactly the view that has been stressed in the discussion that has taken place here since these bills originally came before the house. From the very first day that these bills were given consideration it has been made clear that the only purpose of the debate and of the extension of that debate is to continue to urge that, before these bills are passed, there should be written into the bills, or that there shall be a clear and unequivocal undertaking by the government in relation to its exercise of power under the Electricity and Fluid Exportation Act, that the interests of Canada will first be served, that it will be a Canadian route and that Canadian requirements will be protected for all time in the future before we commit ourselves to an export of power which becomes a vested interest outside Canada which cannot lightly be withdrawn at any future date.

A great deal of concern has been expressed about the possibility that if there is delay gas

and oil may go into the northwest American states from other Canadian sources. We in this parliament represent not only the communities from which we are elected. Collectively, we represent Canada as well; and collectively our interest should at all times be related to that broad concept of the nation which we seek to serve. But let us remember that while we most certainly want to see the legitimate export of oil and gas from Alberta which is consistent with their long-term advantage in that province, we should be much less concerned with the danger of someone else supplying gas in the northwestern United States than we are with the danger of the future requirements of a growing Canada not being met at some time in the distant future.

One of the points to which I referred, and which should be clearly understood in this discussion, is that if we start exporting power it is not like selling so many bushels of wheat, so many tons of coal or so many feet of lumber. When we start to export gas, then communities set up their public services related to the quantity which they receive; and any withdrawal of that gas affects those communities in a manner which could seriously reflect upon our good faith if at some future time we found ourselves forced to withhold from our friendly neighbours that gas which was the basis not only of the building of homes and the provision of services but of the construction of industries which may employ thousands of men. It is in that sense that I speak of it as a vested interest. I do not use the word in any improper manner, in so far as the purpose is concerned. It is an interest which becomes so deeply vested in the users of that gas that we would almost be in the position of being called upon to restrain our own use before we withheld that use from a neighbour to whom we had assured that supply.

In all these discussions we should have before us figures which leave no doubt that any conceivable demand of Canada twenty-five years from now or fifty years from now can be met from our available resources; because power, whether it be electricity, gas or oil, is the most basic and the most fundamental of all raw materials that we possess. We may withdraw nickel, copper or iron from the soil. We may refine it and send it in bulk to the United States, to the United Kingdom or to any other country in the world; and we have received the money for what we have produced. It would be a good thing, of course, if we manufactured the finished product in its final form, in every case. But as to power, we are not only exporting a commodity, something that comes from the soil; we are exporting the thing which in turn produces products of other kinds. We are exporting the power with which the wheels of industry can be turned and with which the great chemical plants can reduce the coal, the salts and the other resources into the finished products which today have their value in every part of the world. If there is one raw material which we should handle with the utmost care, which we should make sure is going to be preserved for Canadian use first of all and to whatever limit we can use it in an expanding economy, it is power, whether it be electricity, oil or gas.

Since the government must make the decision, since the government must pass on a plan, since the government must have a map, must know what is going to be done both in location and in quantity before the board of transport commissioners can deal with this at all, I submit, Mr. Chairman, that before this house is called upon to vote on bills of this kind the government should take the house into its confidence and fully disclose to us what its plans are, and what responsibility it is going to assume. Anything else is an evasion of that relationship and responsibility to the house about which the house should exercise its own authority no matter to what party any member belongs.

The government is only the executive of this house, and the executive owes it to the members from whom it draws its authority, the members whose confidence it must command, and whose confidence it should be able to command without any mere party adherence, to give to them, and particularly to those who habitually support it, that information which makes them more than rubber stamps in an important case of this kind.

We have been told on a number of occasions that the government itself is greatly anxious to see that hon. members are able to express their opinions; that they should not be denied the opportunity to express their opinions. But hon. members were denied an opportunity to get the information to which they were entitled when this bill was before the committee a short time ago, and hon. members are not being given an opportunity now to express their opinions with any of the knowledge that gives a discussion that exercise of judgment which it should be possible for hon. members to exercise before they give parliamentary authority to these bills.

It is very interesting how personal some of the ministers seem to feel about these bills, which every now and then they claim to be strictly private bills. As will have been noticed from the proceedings that I have read,

the authority of the government was exercised, as it is to be exercised if it is exercised at all, on the recommendations of the Minister of Trade and Commerce. Today's Vancouver *Sun* announces the arrival of the Minister of Trade and Commerce, and contains a very interesting headline, which I quote:

Minister recommends unusual source for official information.

Under that heading which suggests that the official information was to be sought in other than strictly formal channels—

Mr. Knowles: Is this where they usually get their information?

Mr. Drew: In view of the occupation of the hon. member who has just spoken on other occasions I would not speak as an expert in this instance. The Vancouver *Sun* goes on in its afternoon issue with this report:

Federal cabinet minister C. D. Howe, queried Monday night in regard to his stand on the natural gas pipe line to British Columbia, curtly told Vancouver newspaperman to "Go to hell."

Mr. St. Laurent: Is that the unusual source?

Mr. Drew: That appears under the headline to which I have referred. I continue:

The angry retort came five minutes after the Canadian trade and commerce minister disembarked from a T.C.A. *North Star* at Vancouver international airport.

An hon. Member: A *North Star*?

Mr. Drew: Yes, a *North Star*; probably that is why he was so angry. I continue with the quotation.

Mr. Macdonnell (Greenwood): Apparently he lost his temper.

Mr. Drew: I continue:

"Don't talk to me any more" he added, as he turned his back on the newspapermen and walked away.

Reporters stepped up and asked Mr. Howe if he would like to grant an interview then or wait until morning.

"No, it's all right", he said. "What would you like to know?"

"What is your stand on the pipe line to British Columbia, Mr. Howe?" a reporter asked.

Immediately Mr. Howe's face darkened.

"Go to hell," he said. "Don't talk to me any more. We've talked enough about that back east."

Mr. Knowles: Obviously he lost his temper; did he lose his reputation, too?

Mr. Drew: That is the end of the quotation. I do not know whether he meant "pipe lines", or the location to which he referred when he said: "We have talked enough about that back east"; but, Mr. Chairman, this is more than a rather simple and forceful exposition of the manner in which the Minister of Trade and Commerce deals so briefly sometimes with the problems of the day. This is the way in which the minister who must assume ultimate responsibility in this matter—subject to the approval of the government, which he usually obtains, as the Minister of Justice knows—deals with those people in British Columbia who are so greatly concerned about the location of this pipe line.

Now, Mr. Chairman, it was an unusual place to suggest that the information should be obtained; but the fact is that if anyone here has access to that particular locality it will be the first place anybody has got any real information from, because we have not got it here. I do not know whether the government is waiting for the information to come from that source or not; but most certainly if the government have the information they are not taking the house into their confidence; nor are they taking the people into their confidence, whose interest is the final interest of this parliament and of its executive who serve them with the conveyance of full knowledge to those for whom they act.

An hon. Member: That is not where they told you to go, is it?

Mr. Drew: It is extremely interesting to find that even when the Minister of Trade and Commerce does suggest to hon. members who so slavishly follow him that he knows where to get the information, they are not prepared to follow his advice.

Mr. Smith (Calgary West): There are three prizes for dumbness, and the hon. member who interrupted gets them all.

Mr. Drew: These bills deal not merely with the construction of pipe lines, not with just the transmission of gas and oil; they deal with power, from which there could be tremendous development in this country.

When I hear the concern which has been expressed in the house at certain times by those who seem to think they have gained some information from some source other than that mentioned by Mr. Howe, then we find that their concern seems to relate to the fact that we may have a great deal of this power here in Canada.

That same concern was expressed when the new hydroelectric development started in

British Columbia. That same concern was expressed when the hydroelectric development was started in Ontario. That same concern was expressed when the great electrical development took place in the province of Quebec, which has the greatest reserves of electrical energy in Canada. And in every single case what appeared to be unconsumable surpluses have been fully absorbed in the expanding productive capacity of that country.

If the electric energy produced right across this country—in the maritime provinces, and in Quebec, and in Ontario, and in Manitoba and in the prairie provinces, and British Columbia—had been exported to the United States under long-term contracts, we would have found ourselves in a position where we could not easily have withdrawn that power; and we also would have found ourselves in a position where the enormous industries based upon that power would not have been constructed here.

One of the reasons why this country became one of the greatest armourers of the last war was that we had this power available, and because skilled industry had grown up upon the use of that power, with the realization that further power would be available in the years ahead.

Now we are dealing with another type of power, but a type of power which, if it is properly conserved, can be just as important to the future of this country as electricity has been in the past and is in the present. The possibilities in Alberta and British Columbia challenge the imagination of every Canadian who realizes what the possibilities are. If all the oil and gas available in Alberta alone were used for industrial and chemical production here in Canada, always with the hope that there will be gas and oil in Saskatchewan and Manitoba as well, millions of Canadians would find new employment in the years ahead. And upon the basis of that power alone there could be a new population of several millions of people in that part of western Canada.

The figures I am using are in no way an exaggeration. Perhaps it would be well for us to remember that both Ontario and Quebec have more than doubled their population since they started the development of their electrical energy. And what has happened there on the basis of that type of power can happen in Alberta and British Columbia as well. And in many ways there are advantages and opportunities which were not available at that time in Ontario and Quebec. In Alberta and in Manitoba are some of the greatest deposits of coal in the world. This coal is of extremely high b.t.u. content, although of a sufficiently friable type that in many cases they are regarded as unsuitable for shipment over long distances. I am not saying that that is so; but I do say that that opinion is held in many cases.

But those coals are of the type that can be used for liquefaction and for conversion into all the many chemical and synthetic products which have already been developed in Europe, and were particularly developed in Germany in the years before the war. And if we want one place where our expenditures in research foundations and in research generally in Canada can find new uses for our resources and new uses for this power, then it is in the application of the discoveries that had already been made in Germany several years ago, and the utilization of our vast coal resources along with this power that is available.

Then, there are minerals, there are clays and there are salts, all of which are waiting to be developed by energetic people, with power of this kind available for industries that can be built. But if we are going to have the kind of industries that can be built, then the thing we have to assure is that there will be not only the basic requirement of power but also an enormous reserve for the future.

If people are going to come in and spend $50 million, $75 million or $100 million on plants—and when I use figures of that kind I am using them with knowledge of investigations that are being conducted right now for the possible use of those resources in that area—if investments of that kind are going to be made, then the thing they have to be sure of is that as their production develops and new chemical processes emerge from research which, in every case, call for a higher use of power—whatever that power may be—then they must be able to plan 25 or 50 years or more ahead to know that through all that time, and longer, there will always be a surplus of power of that same kind available to them.

Then, in dealing with a subject of this kind, and on that scale, I believe members of this House of Commons, and particularly those on the government side, should say to our executive, to the government, "You have the authority; the board of transport commissioners has no authority or power—"

The Chairman: Order.

Mr. Drew: "—to settle policy."

Feed Grains

The Chairman: Order. It is nine o'clock. Shall I report progress?

Section stands.

Progress reported.

SUPPLY

FEED GRAIN—PROFITS BY DEALERS

The house resumed consideration of the motion of Mr. Fournier (Hull) for committee of supply.

Mr. William Bryce (Selkirk): Mr. Speaker, as I said before six o'clock, I wish to discuss a matter of great importance to the western farmer, the eastern farmer and feeder, and myself. Two weeks ago, while speaking in the budget debate, I referred to the profit being made by dealers in feed grains in the eastern provinces. Evidently my remarks have been misunderstood, because I have clippings here from the Winnipeg *Tribune* and the Winnipeg *Free Press*, and many other papers, commenting on what I said.

The report in the Winnipeg *Tribune* is much shorter, and is a statement by Mr. Stanley Jones, president of the Winnipeg grain exchange. This newspaper report, which I shall read, is headed "Jones Denies Speculator Hike on Feed Grains." The article goes on to say:

Stanley Jones, president of Winnipeg grain exchange, said Tuesday it is "completely wrong" to blame speculators on the exchange for the high price of feed grain in Ontario.

His statement was issued in reply to a speech in the House of Commons Monday by William Bryce (C.C.F.—Selkirk). Mr. Bryce said there was a difference of $240 a carload last week in the western selling and eastern buying prices for oats. He blamed "speculation."

Mr. Jones said $240 a car is about 12 cents a bushel, and "apparently Mr. Bryce would have it appear that speculators profited to this extent. No. 1 feed oats were quoted by dealers at Toronto last week, on April 18, at $63.14 per ton or $1.07⅜ per bushel, basis delivered most Ontario points. This price is after deduction of freight subsidy rebate of $6 per ton or about 10⅛ cents per bushel. All shippers must buy their supplies from the wheat board, and purchases were made on the Winnipeg grain exchange on that date at 99½ cents per bushel in store Fort William. The net cost of delivering to most Ontario points, including balance of freight and loading costs, is 7¼ cents per bushel. This, added to the purchase price of 99½ cents, makes a total cost of $1.06¾—leaving a possible profit of ⅝ cents per bushel, or $12.50 per 2,000 bushel car—not $240 as stated by Mr. Bryce. Mr. Bryce should retract his statement since it has no foundation in fact."

I do not need to read the Winnipeg *Free Press* report as it is similar to that of the *Tribune* with the exception that it is attributed to the grain trade and not to Mr. Jones. Let me read what I said at page 1813 of *Hansard* so that I will not be misunderstood any more. I said:

If you compare the amount the western farmer receives for his oats, about $32.35 a ton at the

[Mr. Drew.]

elevator, and the $76 a ton the hon. member says farmers in his constituency are paying, there is a big difference. To my way of thinking the difference is much too great. I agree that the eastern farmer is paying too much, but I am sure the hon. member will agree that the western producer is not receiving too much. The situation is much the same with respect to barley; but let us deal for a moment with oats, which at last week's prices would cost approximately $59 a ton at Fort William. The freight to points in the vicinity of Montreal or Ottawa would be an additional $2.40. Loading would cost $1.50. Bags would have to be provided, but since they can be used several times, an allowance of $2 per ton for bags should be sufficient. This would give a total of $63.72 per ton at any point in my hon. friend's constituency. Taking the figure at an even $64, when my hon. friend pays $76 the difference is $12 a ton or $480 on a forty-ton car of oats. It would be a good thing if the eastern farmer would check into this and see if someone is not charging more than the traffic should have to bear. On Friday of last week I checked Ottawa prices, and found that wheat, in bags to the farmer, was $74 a ton, oats were $70 and barley was $69. I also checked the Montreal figures and found that wheat was $71, oats $70 and barley $69.

Taking oats again as an example, the price at both Montreal and Ottawa was $70, which leaves a profit of $6 per ton for the handling of a ton of grain. In other words, on a forty-ton car there would be an allowance of $240 for handling 800 bags of oats, which seems a good profit. I have known dealers in the west who were satisfied to handle oats at 10 cents a bag, and make money. Fluctuations in the market will also cause the dealer to charge the highest price in order to safeguard himself, but if we had steady set prices he could certainly cut down on his margin of profit.

On page 1815 I said:

I started out, Mr. Speaker, to try to show our eastern farmers and feeders that we farmers in the west are not charging them too much for our feed grains. The price is fair and reasonable. I have shown that there is a margin of $240 per car on Montreal and Ottawa prices. Surely grain could be handled more cheaply than that. If the dealers cannot do better than that, I suggest to them that they should set up a co-operative and get service at cost; then if you pay too much for your feed, you will get it back in patronage dividends. That is the solution to the problem; get your co-operative to handle your feed.

In concluding, I want to assure hon. gentlemen who have spoken in this debate on this subject of feed grain prices that the western producer is anxious to have the eastern trade, but he does not like to be accused of charging too much for his grain when that is not the case; and I hope I have proved to them that the producers are not getting too much. Even if the west again increases her hog production, there will always be in the west more feed grains than we can use. We realize that the eastern market is our best outlet for our feed grains, and we do not want to lose it.

At no place have I been discussing speculators' profits. I have been dealing with dealers' profits in eastern Canada. I said that oats to the dealers were costing $63.72. Mr. Jones said oats were $63.14. Therefore there is only 58 cents between his price and my price. His price is cheaper than mine and allows the dealer still more profit. When giving the figures in the house I gave the approximate figure of $59 a ton at Fort William. The freight paid by the dealer, $2.40,

and the loading commission, et cetera, would cost $1.50, and then there would be about $2 for bags, making an approximate price of $64 per ton. The grain trade, however, has supplied the actual figures which have been published in the *Free Press*. They are as follows:

No. 1 Feed Oats, April 18

	$ per bushel	$ per short ton
Canadian wheat board lakehead sale price	.99½	58.529
Profit made on sale to eastern feeder	.00⅝	.3677
Total lakehead price to eastern feeder	1.00⅛	58.897
Elevator charges	.02⅞	1.691
Broker's commission	.00¼	.147
Net freight charges	.0408	2.40
Total price (most Ontario points)	1.07⅜	63.135

Mr. Jones ends his statement by saying:

Mr. Bryce should retract his statement since it has no foundation in fact.

I have nothing to retract, Mr. Speaker. It is unfortunate that Mr. Jones made his statement before he read mine in *Hansard*, or he would never have made the statement to the paper that he did. When I spoke before I only rose to defend the western farmer. When I heard hon. gentlemen complaining about high prices paid for feed grain, when I heard them blaming the western producer for charging too much, I made inquiries and found that oats were selling at $70 per ton in Ottawa and Montreal. If you take either Mr. Jones' figures or mine, there is still $6 between what the dealer pays and the price at which he sells. If you take a forty-ton car of oats at $6 per ton, you have a profit of $240; you cannot get away from that. The hon. member for Russell (Mr. Gour) quoted a figure at $76 a ton. This would give the dealer $480 for handling a forty-ton car of grain. I said the dealers were taking a greater profit than they should and the western producer was being blamed for the high prices. If there is to be any retraction, Mr. Speaker, I think it should be by Mr. Jones, since no doubt he jumped to the conclusion that, if I were speaking on grain prices, judging from my past record I would be damning the grain speculators on the Winnipeg grain exchange.

When I spoke I only rose to defend the western farmer and show that I thought the dealer was charging too much for the services rendered. I still think $6 per ton or $240 per car is too great a profit, and it is not the fault of the western producer. I made the suggestion previously that the government should conduct an inquiry into the profits of feed dealers. The government is paying this money in subsidizing freight rates to help the eastern farmer and feeder so he may compete in the world's markets with his pork, poultry, cheese and eggs, and it should be the duty of the government to see that those it is planning to help are not exploited by unscrupulous dealers.

The Winnipeg *Free Press* came back with another editorial in which they were quite fair to me. They said:

Mr. Bryce strongly repudiated any imputation that he was suggesting western farmers should take less for their oats; his remarks were quite the contrary. He also pointed out that the government freight subsidy on oats meant that the eastern dealers never paid more than $2.40 a ton freight east of Fort William, regardless of where they were landed.

The same editorial contained the solution suggested by the grain trade:

Trade reaction to Mr. Bryce's charges of profiteering by feed dealers retailing to Ontario and Quebec farmers was this:

If the eastern consumer feels he is paying too much for feed grains to the private dealer, he has an obvious recourse—the open market for coarse grains. He can either arrange purchase himself and look after details of shipment, or a broker would be eager to handle the transaction for him at a charge of approximately one-half cent per bushel.

I can assure hon. members that this is not the solution to the problem. We have had that system too long. The system we have now may not be perfect, but it is much better than anything we had before, and I hope we do not go back to the old method.

I want to mention one more thing before I conclude. I have in my hand a clipping from the Stonewall *Argus* of May 3, 1950. This is a column under the title "The world of wheat" by H. G. L. Strange, and the article is headed "Growing Discontent". It concludes in this way:

The whole matter is becoming complicated by the dissatisfaction of eastern feeders who complain about the high prices they have to pay for coarse grains. Mr. William Bryce, member of parliament, recently asked the government to set up a board to investigate the whole matter of the purchase and sale of western grains.

Nowhere did I ask the government to set up a board to investigate the whole matter of the purchase and sale of western grains. What I did say appears at page 1815 of *Hansard*:

Perhaps the best thing to do is to have the government check the eastern prices. They are paying $6 to $23.80 per ton subsidy at different points to enable the feeder to get grain at his local point at a reasonable price in order to compete in the production of hogs, poultry and cheese. I am sure that all western farmers will support the eastern farmers in a demand for an inquiry into eastern feed prices. It would clear the air and expose anyone who is taking more profit than he deserves for the services he renders in the feed situation.

I hope I have made clear to hon. members my object in rising this evening. To the grain

exchange people I would say not to jump to conclusions before reading what I really did say.

WINNIPEG POSTAL EMPLOYEES—CIVIC HOLIDAY

Mr. Stanley Knowles (Winnipeg North Centre): Just before you leave the chair, Mr. Speaker, there is a matter on which I wish to say a few words. It may seem to some to be a small grievance, but it is the kind of grievance that is most annoying to the people who suffer its consequences. The matter about which I wish to say just a word is set out very clearly in certain answers to questions I placed on the order paper, those questions and answers appearing on page 837 of *Hansard* for March 16, 1950. They relate to the observance of civic holiday, as far as the postal employees in the city of Winnipeg are concerned.

It so happened that in 1948, for the first time in recent years at any rate, the employees of the post office in Winnipeg were given the day off with pay. They dared to believe that at long last they were being put on the same basis as the employees of the post office here in Ottawa, who for a number of years have had civic holiday as a holiday with pay. But lo and behold, when civic holiday came along in August of 1949, these post office employees in Winnipeg were denied the holiday with pay. Some were given leave to take the day off and although their pay cheques for that month were not decreased as a result, they were made to pay back what they received for that holiday from the overtime they accumulated during the Christmas rush.

On taking up this matter with the Postmaster General (Mr. Rinfret) by correspondence I received an interesting reply, to the effect that the Postmaster General had found it necessary to deny that holiday with pay to those employees in Winnipeg last August by virtue of a directive from the Secretary of State. That led me to ask these questions which appeared on *Hansard* for March 16, and the answers make it clear that in 1946, 1947, 1948 and 1949 the employees of the post office in Ottawa were given civic holiday as a holiday with pay. Those same answers make it clear that in Winnipeg they did not get it in 1946 or 1947; as I have already pointed out, they got it in 1948 and they thought that at last the discrimination against them was ended, but in 1949 they were again denied that holiday with pay.

It seemed very clear from the answers the Postmaster General had to give to my questions that this was a matter of discrimination. It is not the most important matter one could raise in this house; just at the moment the people of Winnipeg are not worrying about holidays, because they are literally in a state of siege and working very hard against the flood waters of the Red river; but it is one of those things that are very annoying.

One of my questions on March 16 looked to the future, and was in these terms:

Have any steps been taken to eliminate discrimination in this matter?

The answer to that question was:

The question is under consideration by the government, and a definite decision will be made prior to the observance of civic holiday next summer.

I have two requests to make in connection with this matter, and the reason I felt it necessary to raise this before Your Honour leaves the chair, although we are going to deal with post office matters when we get into the committee of supply, is the fact that it has been made clear that the Acting Postmaster General (Mr. Lapointe) is going to deal almost exclusively with this question of the denial of the use of the mails to certain people. The two points that I have raised before by letter, without yet getting satisfaction, and the two that I now repeat, are quite simple: In the first place, I feel that these employees are justified in asking that the situation of last August be rectified, and that they be compensated for the day that they were forced to work last August, in lieu of not receiving the holiday as did their fellow post office employees in the city of Ottawa. The same request applies in the case of those who had the day off but had to make up for it at Christmas.

The other request is in terms of the future. I urge the government to make a decision soon, and to announce it as early as possible, as to what the policy will be with respect to civic holiday this year, and in future years. Surely, if it is possible to grant the civic holiday as a holiday with pay to post office employees, and other civil service employees, here in the city of Ottawa, and I think it should be, it is only fair that the same holiday with pay should be granted in other cities where civic holiday is declared for that city as a whole. I dare to believe from the answer that was given to me that that consideration may result in favourable action so far as the future is concerned. I hope so, and I hope the announcement will be made soon. But I want to say to the Acting Postmaster General and through him to the Postmaster General that the employees concerned will not be satisfied unless there is also a rectification of the discrimination against them in connection with civic holiday last August.

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

DEPARTMENT OF NATIONAL HEALTH AND WELFARE

215. Departmental administration, $859,720.

Item stands.

DEPARTMENT OF PUBLIC WORKS

288. Departmental administration, $350,605.

Item stands.

POST OFFICE DEPARTMENT

269. Departmental administration, $1,373,625.

Mr. Garson: Mr. Chairman, the matter of the protection of the mails from being used for schemes devised or intended to deceive the public is one of considerable importance. From one standpoint it affects certain rights of individual brokers, and of course no government wishes to deal unfairly with them. From another standpoint it affects the efficient workings of a free society; for I submit, sir, it is important to a free society that the integrity of its methods in raising risk capital for the development of its natural resources should be protected from any corruption by fraud.

Not only the Roman law but every civilized law that has yet appeared in history has set forth a conception of property as being a natural right, and not a mere concession of the state. That being so, one of the most important functions of the law is to promote diffusion of property. Such diffusion is one of the most effective bulwarks of free society. The law, therefore, should be used for the protection of the small investor, who on the one hand can ill afford to lose his capital, but on the other, because he usually lacks both the breadth of investment experience and expert advice, is so often fair game for the unscrupulous.

Moreover, another aspect of this matter is that the unsurpassed reputation of Canada throughout the world for honesty and fair dealing, which has been so dearly purchased by us through long years of honourable conduct on the part of Canadian citizens, should not be besmirched or impaired by a few people for selfish and dishonest reasons. Therefore, when the member for Eglinton raised the question in the house as to the propriety and the validity of the postal regulation which had been made by the Postmaster General, he raised a matter which is a serious one, and which deserves careful and serious consideration.

Unfortunately at that time, as I then indicated to the house, the general counsel for the Broker Dealers Association had just written a letter to me dealing with these postal regulations, and which I had not had the opportunity to consider. The suggestion was made that on the next occasion on which we went into committee of supply a careful examination of the remarks both of the leader of the opposition and of the member for Eglinton, but more especially of the considered representations in writing of the general counsel for the Broker Dealers Association, would be placed before the members. I think that, because the statement made by Mr. McTague in the form of a letter addressed to me as the Minister of Justice is a considered, careful statement of the whole position of the broker dealers, and on that account is perhaps a little more thorough than mere extemporaneous efforts could be, the fair way to deal with these representations and to lay this matter before the members is to read the first points which Mr. McTague makes in this letter, and then read the reply to the first point, and so on. In that way we could dispose of the matter. Then I would hope that, if time permitted, I might deal finally with some of the observations made by the leader of the opposition and the member for Eglinton.

The letter from Mr. McTague is dated 220 Bay street, Toronto, April 26, 1950. The first point has had fairly lengthy treatment, and he starts it in this way:

> As counsel for the Broker Dealers Association of Ontario and acting only in that capacity and not for any individuals concerned, I wish to put before you certain submissions with respect to the action of the Post Office Department stopping the mails to people in, or remotely associated with, the security business here in Toronto.
>
> In the first place, my submission is that under the rule of law, to which we lawyers continually pay lip service, the procedure followed in the Post Office Department is totally without justification.
>
> The powers of the post office generally in so far as they appear to be relevant to the matter alleged to be involved here are, I think, to be found in the Post Office Act, section 7 (d), permitting the making of regulations—

He sets out the whole section, but I shall just refer to those matters which are relevant to the subject under discussion.

> —regulations "for marking on the covering of letters, circulars or other mailable matters suspected to concern illegal lotteries, etc. . . or concerning schemes devised or intended to deceive or defraud the public, for the purpose of obtaining money under false pretences, whether such letters, circulars or other mailable matter are addressed to or received by mail from places within or without Canada, a warning that they are suspected to be of a fraudulent character, and for returning such letters, circulars and other mailable matter to the senders".

In other words, Mr. Chairman, that is the statutory authority for two regulations, Nos.

204 and 206, which Mr. McTague proceeds to set out in his letter in another paragraph commencing as follows:

The relevant regulations pursuant to section 7 (d) appear to be 204 and 206, reading as follows:

I shall not bother to read No. 204 in full, although I hope with the approval of members that Mr. McTague's letter to me of April 17, 1950, might be published in *Hansard*, as an appendix, along with my reply to Mr. McTague dated May 2.

The Deputy Chairman: Order. Has the Minister of Justice the unanimous consent of the committee to put on *Hansard* as an appendix the letters to which he has referred?

Some hon. Members: Agreed.

(For text of letters, see appendix, pages 2347-49.)

Mr. Garson: Regulation 206 reads as follows:

The Postmaster General has power, under the statute, to mark or cause to be marked upon the covers of letters, circulars, or other mail matter suspected to concern schemes devised or intended to deceive or defraud the public for the purpose of obtaining money under false pretences, whether such letters, circulars or other mail matter are addressed to or received by mail from places within or without Canada, "suspected to be of a fraudulent character", and to return such letters, circulars or other mail matter to the senders.

I might interject again that the so-called orders complained of here consist of actions taken to mark these mail matters and return them to the senders under this regulation 204 passed pursuant to section 7 (d) of the act.

Mr. Fleming: You mean regulation 206.

Mr. Garson: Yes, regulation 206. My hon. friend is quite right. Then Hon. Mr. McTague goes on:

I think you will agree that it is trite law that the regulations cannot be extended beyond the authority given in the statute to make them. For the purpose of my submission to you I am not arguing that these regulations go beyond the statutory authority for them, but I do submit as strongly as I can that the deputy Postmaster General has gone far beyond what is provided for in the regulations or the statute in the most arbitrary way.

Without any warning whatever, and on the strength of representations made by the United States Post Office Department at the behest of the United States Securities and Exchange Commission and entirely ex parte, without the persons suspected having an opportunity to be heard, the mails have not only been arbitrarily cut off, but have been required to be forwarded to Ottawa where they are held for an indefinite period without any commitment or statement of intention to prefer any charges in the courts. Not only that, but in separate hearings of aggrieved persons before the deputy Postmaster General, their mail has been released upon the exaction of undertakings that they will not further deal in specified securities, or that they will agree to modify the language and terms of circulars sent in the future. The whole procedure is in substance a conviction by the deputy Postmaster General without a hearing, punishment by cutting off the mails and the exaction of undertakings as a condition on which the penalty will be suspended.

If there is anything in the Post Office Act justifying such procedure, I am unable to locate it. In addition to that, I cannot conceive of any government putting forward legislation to justify such action by way of amendment to the Post Office Act, and I cannot conceive of any parliament enacting such legislation if it were put forward.

That is Hon. Mr. McTague's first point upon behalf of his client. The answer to this point is as follows:

I have your letter of April 17 with reference to the action of the post office in stopping the mails of certain brokers. You are acting as counsel for the Broker Dealers Association and not on behalf of any of the persons against whom the "stop" order was directed.

I have inquired as to what took place. The order, which was made with the approval of the Postmaster General and therefore may be regarded as made by him, was to the effect that all mails addressed to or coming from the above (persons named) are to be intercepted and sent specially by first mail to the administration branch, Ottawa. It was stated that this action was being taken as a result of evidence received indicating that the mails were being used for the purpose of obtaining money under false pretences. I am informed that contrary to what you state in your letter the order was not made at the behest of the United States Securities and Exchange Commission.

The action was taken under the authority of paragraph (d) of section 7 of the Post Office Act which authorizes the Postmaster General to make regulations "for marking on the covering of letters, circulars or other mailable matter suspected to concern" . . .

Then I go on and repeat the provisions of that subsection, and I indicate that "the mailable matter is marked 'nontransmissible' instead of with a warning that it was suspected to be "of a fraudulent character". I continue:

This marking was regarded as less injurious. The matter is returned to the sender.

My information is that each of the brokers named in the order was engaged in the sale of the securities of a single company. The "stop" order was made only after a careful examination was made by experienced officials of the literature which these brokers were circulating, making claims which were so extravagant and untrue as to raise a reasonable suspicion in the mind of the Postmaster General that they related to schemes intended to deceive or defraud the public, for the purpose of obtaining money under false pretences.

Mr. Fleming: Will the minister permit a question?

Mr. Garson: Yes, surely.

Mr. Fleming: He refers to experienced officials. Were those officials of the Post Office Department or officials of the justice department?

Mr. Garson: They were not of the justice department.

Mr. Fleming: There was no reference in that matter to the justice department for an opinion as to whether there might be any question of deceit?

Mr. Garson: No. That is quite right. Then my letter to Mr. McTague goes on:

I cannot discover any illegality in this procedure. The statute calls on the Postmaster General to refuse the use of the mails to persons whom he reasonably suspects of using the post office facilities to defraud the public. The only question is whether the Postmaster General had reasonable grounds for his suspicion. From the facts when they are disclosed I think you will have to agree that the Postmaster General did have good grounds for his suspicion.

And at the conclusion of my remarks tonight the Acting Postmaster General (Mr. Lapointe) will give some of those grounds in certain cases to members of the committee in order that they may judge as to whether there were any reasonable grounds for suspicion.

The second point which Mr. McTague makes starts out in this way:

Mr. Turnbull—

That is the deputy postmaster general.

—seems to take undue comfort, in my opinion, in the Literary Publications case, I think it is, in British Columbia (58 C. C. C. 385), in giving him the right to do anything and considering that whatever he does is not reviewable by the courts. He does not seem to realize that the court in that case simply held that there was a right to exercise a discretion under the statute and the discretion having been duly and properly exercised, the courts would not review it. That case concerned an action for damages following an acquittal after a prosecution under the Criminal Code. It appears to me to be no authority for the proposition that the Post Office Department can legislate through the process of administration and in fact set up what amounts to a star chamber. I recall hearing a careful speech made by yourself on the rule of law with many references to the admonitions of Coke to King James. In this affair it is McTague humbly putting forward the same type of admonition to Turnbull through your good self as an understanding intermediary, I hope.

Mr. Drew: Who is writing this?

Mr. Garson: Mr. McTague.

Mr. Drew: To you?

Mr. Garson: Yes. He goes on:

There just cannot be two standards of fraud, one laid down by the courts and a different and private one by the Post Office Department. The Post Office Department has not, as yet, attained judicial status. It appears by its recent actions merely to assert that very untenable position.

The answer to that point is as follows:

Perhaps it should be remarked in this connection—

I say to Mr. McTague in my letter.

—that none of the brokers has seen fit to take action against the Postmaster General alleging wrongful action on his part, a remedy which the court of appeal of British Columbia held, in the case of Literary Recreations Limited *v.* Sauve C. C. C. page 358, to be open to a person against whom such an order has been made.

In other words, in the very case which Mr. McTague is quoting in his letter it was indicated that persons offended by a wrongful order had a right of action against the Postmaster General. My letter to Mr. McTague continues:

The next point made by you is that the post office cannot "legislate through the process of administration and in fact set up what amounts to a star chamber."

Mr. Drew: Who is saying this? Is that you?

Mr. Garson: I am saying this to Mr. McTague:

I am afraid I do not follow this contention since it appears to me that the Postmaster General was doing precisely what the statute authorized and required him to do.

Mr. McTague's third point is this, and I quote from his letter:

As you know, I have had a rather wide experience in the security business.

And he is quite right in saying that. Mr. McTague was one of the most distinguished security commissioners that the province of Ontario ever had. He continues:

It is my opinion, and I have comparatively recently put my opinion in writing for the benefit of the United States securities and exchange commission, that no provincial legislature has power to control or regulate international or interprovincial trade in securities. While I know of no case directly dealing with securities on the proposition, it has been laid down in reference to other commodities more than once that there is no such power in the province. I make brief reference to the Natural Products Marketing Board case in British Columbia.

On this third point I replied in my letter as follows:

You point out that the province has no power to control or regulate international trade in securities. That is certainly true where the post office is the medium used for carrying on the international trade in securities. But I suggest that it follows from your statement that in this case the Postmaster General is the proper official and the only official who is legally qualified to exercise such control under section 7, subsection (d), of the Post Office Act.

The fourth point of Mr. McTague's letter is stated in these words:

The only jurisdiction which can validly enact legislation to control and regulate the sale of securities internationally and interprovincially is the Canadian parliament. If the policy of enacting such legislation is determined upon the government can readily put forward a statute and take its responsibility in that regard. If it does not care to accept such responsibility, surely it should not permit or even tolerate the setting up of a securities commission *de facto*, but certainly not *de jure* under the present act within the Post Office Department. Yet that is exactly what is being done at the present time.

My answer to this fourth point is as follows:

You contend that parliament has not set up a "securities commission *de facto*" within the Post Office Department. I entirely agree with this contention. The Postmaster General's job is not to operate a securities commission. The Postmaster General's duty is to see that the post office facilities are not used to defraud the public. While his efforts to this end may result in protecting investors against the purchase of fraudulent securities, this result is purely consequential and is not, primarily, his responsibility. Under the law, his statutory duty and responsibility is to maintain the efficiency and reputation of the postal services which he directs. It is for this purpose that he is empowered to stop mail which he suspects is being posted for fraudulent purposes.

Mr. McTague's fifth point is as follows:

At this time there is no law in Canada prohibiting the sale of securities in the United States by circular or otherwise. If the circular is considered to be fraudulent under the laws of Canada let prosecution be brought in the criminal courts, but let us still maintain the fundamental principle of the rule of law and once again abolish star chamber methods from which already too many innocent people have suffered greatly.

To stop the mails and ruin people in business on the evidence of circulars, telephone conversations and other gossip, which have taken place many months ago, seems to me a most extraordinary procedure.

I am forwarding a copy of this letter to the Right Honourable the Prime Minister and of course also to Mr. Turnbull.

The answer to this fifth and last point, as set out in my letter to Mr. McTague, is as follows:

As to the question whether criminal proceedings should be instituted, it is not the Postmaster General's duty to prosecute persons guilty of criminal offences. I do not need to remind you that it is the attorney general of the province who enforces the criminal law. The Postmaster General's duty is to take appropriate actions where he has reasonable grounds for suspecting that the mails are being used for fraudulent purposes.

In conclusion, I think I should say that where the state operates a public utility such as the post office, a railway or a radio station there is not thereby conferred upon each citizen an absolute right to utilize the utility, but a conditional right only, the condition being that there should be no abuse. The utility must be operated strictly for the public benefit. The government officials operating the same should have at least as wide powers to protect the public against abuse as the private owners of a public utility would have to protect their patrons. In the case of the post office, parliament has seen fit, in order to protect the service against abuse, to authorize the Postmaster General to refuse the use of mails if he has reasonable grounds for suspecting that a person is making an improper and fraudulent use of them. I am informed that this provision is one of long standing having been introduced in the act by Sir John A. Macdonald in 1889; that it has been beneficially invoked hundreds of times throughout the intervening years; and that similar provisions will be found in the post office statutes of other free countries.

Notwithstanding these facts, the government is quite open-minded with regard to this section and the powers created under it. For many months before this order was made, the government had been engaged in preparing the first general revision and consolidation of the Post Office Act since 1922.

In this connection, it has been giving special attention to sections such as section 7 (d) which vest rather wide powers in the Postmaster General. We are inclined to think from the consideration which we have given this matter so far that the experience of our own post office and the post offices of other free countries over the years indicates that the power under section 7 (d) should be retained. We are also inclined to think, however, that it might perhaps be advisable that a summary appeal should be provided from the order of the Postmaster General to the courts; and that upon the hearing of this appeal the appellant should have the right to adduce any relevant evidence in addition to that upon which the Postmaster General based his order. The appellate tribunal should have power either to confirm or discharge the order of the Postmaster General. Pending the hearing and disposition of such appeal, however, the Postmaster General's order should remain in effect and should also, of course, remain in effect if confirmed by the court appealed to.

We can well understand that the organization which you represent will have well-informed views upon this subject matter and if it wishes to present a brief on any of the matters under the Post Office Act in which it has an interest, I can assure you that the government will be glad indeed to give its representations the most careful and thorough consideration.

Now, so much for the points raised in a careful and systematic manner by Mr. McTague. I might spend a little time now upon the points raised by hon. members in this house.

Dealing first of all with the remarks of the leader of the opposition (Mr. Drew) on April 15 last, as set out at page 1562 of *Hansard*, where he is reported as saying this:

I wish to ask the Minister of Justice whether he has given consideration to the extent to which the Post Office Department is usurping the authority and responsibilities of the Department of Justice in acting as a court by making decisions as to the guilt or otherwise of certain people using the mails of Canada.

Now, I am not too clear as to the precise point the hon. member is making in that language, but I think I can answer all possible meanings that could be given to it by making two or three simple statements of fact.

In the first place I would point out that the Postmaster General cannot in this case be usurping the authority of the Minister of Justice, since the powers which are invoked here in this case are clearly those which the act vests in the Postmaster General and not in the Minister of Justice. And therefore in using those powers, whatever he is doing he cannot possibly be usurping the functions of the Minister of Justice.

Then, secondly, I point out that neither the Department of Justice nor the Post Office Department has the authority or the responsibility to act as a court, either by making decisions as to the guilt or otherwise of certain people using the mails of Canada or, indeed, in any other way.

Thirdly, I would point out, repeating what has already been said, that in connection with the postal orders under discussion and under criticism by the opposition it is the statutory duty of the Postmaster General, pursuant to section 7(d), where he considers that there are reasonable grounds for suspecting that mail matter coming under his charge concerns a scheme intended to defraud the public and is being sent through the mails, to make these orders that are under attack.

In this connection, I do not think it can be emphasized too strongly—having regard to the reference by the leader of the opposition to courts, and to other suggestions which were made that these people should be prosecuted—it cannot be emphasized too strongly that the Postmaster General decides nothing as to the guilt or innocence of these persons. He decides only whether or not there is reasonable ground for his suspicion that the postal service is being wrongfully used. And if he suspects upon reasonable grounds that the postal service is being wrongfully used, then he has the power to make these orders which are under debate.

Suggestions have been made, notably by the hon. member for Eglinton (Mr. Fleming), that the Postmaster General, in acting as he did, usurped—I do not know whether that is the word the hon. member used; in fact I do not think he did use that word, but his meaning was clear—that the Postmaster General in making these orders was usurping or interfering with the functions of the securities commissioner of the province. The hon. member put it this way at page 1638 of *Hansard:*

> We have laws to deal with such cases. We have the Criminal Code, and, as to the rights between broker and client and the measure of responsibility that those engaged in the purchase and sale of stocks owe to the public, we have in all provinces—we certainly have in Ontario—securities laws and securities officials. This case may be, and no doubt is, one for the securities commission of the province of Ontario, which has ample power to deal with brokers who are carrying on their business in violation of the law without due regard for honesty in business dealings.

Mr. Drew: Whose statement is that?

Mr. Garson: It is the statement made by the hon. member for Eglinton in this house. This statement continues:

> Therefore in my submission it is not necessary for the Post Office Department to undertake to make laws in substitution for the Criminal Code of Canada as enacted by this parliament, and in substitution for the laws of the province in relation to regulation of transactions involved in the purchase and sale of stocks and the control and regulation of the activities of those engaged in that business.

This argument, as I shall show, is quite incorrect. I have already shown that the Postmaster General has the undoubted power under the Post Office Act to make orders such as those under discussion. I submit that the exercise by the Postmaster General of such powers as those under the Post Office Act is no interference at all with the authority of the provincial securities commission. Indeed, it is the discharge of a completely separate and distinct duty.

In discharging his duties the Postmaster General is not bound by the decisions of any provincial securities commission, nor does the law permit him to abrogate his responsibilities and functions in favour of a provincial securities commission, because it is a well established fact and principle, with which I am sure the hon. member for Eglinton would be the first to agree, that in exercising discretionary power an administrative officer must make his own decision and must not accept the decision of another person. The Postmaster General of course may have recourse to the provincial securities commission or to any other reliable source for materials upon which to make up his mind; but so far as the actual making up of his mind is concerned, he must do it quite independently of any provincial commissioner or of any other source of information that he may have.

And, sir, the point upon which he has to make up his mind is not as to whether or not the dealer should be licensed, nor as to whether or not trading in a certain stock or other security should be permitted. The point which the Postmaster General must decide is the simple one of whether or not there are good grounds for suspecting that postal privileges under the Postmaster General are being abused.

The second point in this connection I should like to make is that, quite unlike the provincial securities commission, the Postmaster General is not in any way concerned about the intrinsic value of the security that is being dealt in, except in so far as that intrinsic value of the security may create in his mind a legitimate and well-founded suspicion that the mails are being used to defraud. The Postmaster General's only duty is to concern himself with false and fraudulent representations made through the mails in respect of the sale of the security.

I think I should emphasize in this connection that while the provincial securities commission—and I am sure the hon. member for Eglinton knows about this, and will agree with it—license the dealer and approve of the security, and pass upon the prospectus, the provincial securities commission does not

ordinarily or necessarily pass upon or even see a great deal of the advertising and sales literature put out by the brokers. They do not necessarily know whether that sales literature is true or false, objectionable or otherwise.

Moreover, as the Hon. Mr. McTague points out in his letter, one of the great problems of any provincial securities commission—and especially in cases such as we are discussing here, which involve the sale of Canadian securities internationally, in to the United States—the great problem of a provincial securities commission in respect of such traffic is that it has, according to Mr. McTague, who should know, and who is an expert in the field, no power whatever to control or regulate international or interprovincial trade in securities. Therefore when the hon. member for Eglinton says, "We certainly have in Ontario securities laws and securities officials, and this case may be and no doubt is one for the securities commission of the province of Ontario, which has ample power to deal with brokers who are carrying on their business in violation of the law", he is making a statement that is quite incorrect. It is incorrect because most of the transactions upon the basis of which the Postmaster General made the orders which are under debate, and under criticism by my hon. friend, concern interprovincial and international trade in stocks. As to this trade—and I am sure my hon. friend will agree with me upon reflection—the provincial securities commissions do not exercise any authority for the excellent reason that they have no power to do so. Their powers are intraprovincial powers. Moreover, not only have they no power to do so but the provincial legislatures have no constitutional authority, according to Mr. McTague, to clothe provincial securities commissioners with such power.

Thus, if these powers which the Postmaster General has invoked in the present case are not used in proper cases, which we contend the present ones to be, to prevent the misuse of the mails in interprovincial and international trade in stocks, there are no provincial powers of any kind that can be invoked to prevent such misuse. Thus, far from the Postmaster General having overridden or ignored the authority of the provincial securities commissions or invaded the field of provincial rights, as seemed to be implied by the remarks made by members of the opposition, the Postmaster General has instead merely prevented the misuse of the post office, which is his responsibility. In the cases which we are considering he has done this, for the most part, in cases with which, according to the Hon. Mr. McTague, neither the provincial securities commissions nor the provincial legislatures had power to deal.

Mr. Fleming: Let us say some of the cases.

Mr. Garson: My hon. friend, the Acting Postmaster General, can speak more accurately on that point than I can. I doubt, however, if there are any purely intraprovincial cases, but I am merely dealing with the law. The Acting Postmaster General will deal with the facts. I think I should add, lest there be any misunderstanding, that no one should infer from what I have just said that the Postmaster General has not power, in relation to the use of the mails for the sale of stocks wholly within any province, to make such an order as we are now discussing. He has that power also, but there is the difference that in most of the cases we are discussing he has the power to make this order in respect of trafficking in stocks internationally and interprovincially, which is beyond the jurisdiction of the provincial securities commissions.

That comprises all the legal points which arise in this connection. My hon. friend, the Acting Postmaster General, will outline the facts upon which some of these orders were based in order to give hon. members information as to whether there were reasonable grounds for the exercise of the Postmaster General's discretion.

Mr. Lapointe: Mr. Chairman, my colleague the Minister of Justice has set forth the legal position in this matter of fraud orders issued against certain corporations and individuals. His statement to the house clearly establishes that the Postmaster General is empowered to prevent the mails from being used for fraudulent purposes. To this power given the Postmaster General by parliament there is a corresponding duty to prevent His Majesty's mails from being used as an instrument of fraud. The intention of parliament to protect His Majesty's mails in this regard was so definite that the Postmaster General is empowered to take the necessary preventive action when he has justifiable and reasonable grounds to suspect that the mails are being used to perpetrate fraud.

Therefore, in my estimation the point at issue is: Was the Postmaster General justified in taking action as he did in the specific cases which are before us and which are being discussed tonight? If I may, Mr. Chairman, I should like to dispose immediately of the imputation that the action of the Postmaster General of Canada was taken solely at the behest of United States authorities, and was based otherwise only on a few circulars, rumours and gossip generally in

the brokerage field. As the bulk of the circulars in question were addressed to citizens of the United States it was only natural that the majority of the complaints received came from United States citizens. I feel sure it will be conceded that they had a right to protest against questionable actions by Canadian citizens or by persons operating in Canada just as I am sure that the Postmaster General had not only the right but also the clear duty to take appropriate action.

I want to emphasize that we did not issue fraud orders at the behest of the United States government or of its officials. Nor did we take the word of United States authorities as to these transactions about which complaints had been received. We obtained affidavits together with circulars and other material. We went further than that. Appropriate inquiries were made, investigations were carried out and expert advice was sought. I can assure hon. members who are interested in this matter that in every case the Postmaster General had good and sufficient reasons for believing that the mails were being used for fraudulent purposes.

Mr. Drew: May I ask a question? When the Acting Postmaster General says that expert advice was sought will he indicate the nature of the expert advice to which he refers?

Mr. Lapointe: If the leader of the opposition will permit me to carry on with my statement, which is quite short, I think he will find the answer to his question. It is not my intention, Mr. Chairman, to analyse tonight every single case where prohibitory orders have been issued, but I believe it would be useful to outline some of the methods used, and to quote from some of the literature issued. I have here the case of one company dealing in oil stocks, and using the services of a broker. Circulars issued by this broker-dealer and distributed by mail included the following statements:

> This company holds leases on a quarter section in the Redwater Bruederheim area between acreage held by Imperial Oil. In addition, the company holds fifteen well sites in the Lloydminster field, which has been growing at a phenomenal rate in the past two years. Since the astounding results at Leduc, Lloydminster and Redwater—and I'm convinced that the holdings of—

This particular company.

> —hold the promise of profits and fortune such as we have often dreamed about and hope to share.

Again I quote:

> This I believe is one of the greatest chances at a fortune that has ever been offered to you. Here, I believe, is your chance to make $25 grow to $1,000 —$250 grow to $10,000. Only now are the tremendous possibilities being realized—and we are getting in at the right time.

The dealer continues:

> In my last letter I told you that the experts estimate Redwater's recoverable oil reserves at 30,000 barrels per acre. As the holdings of this company in the Redwater-Bruederheim area comprise a quarter section (160 acres) that's sufficient to drill four wells, which, assuming comparable results, would work out to a potential of 4,800,000 barrels of oil. At the current wellhead price of $2.68 per barrel, the gross money value on this basis would be $12,864,000.

Competent authorities of the government of Alberta, in which this property is situated, state that instead of this material being called literature it should be called sucker bait, as the property of this company is strictly wildcat and is unproven. The suspicion of fraud lies in the extravagant and misleading claims. Although the literature refers to the Redwater area, the company has no property in that rich field but only in the Bruederheim or Lloydminster area. To talk about the Redwater-Bruederheim area, again according to the testimony of these officials, is sheer nonsense; and the holdings of this company in the Lloydminster area hold even less than a gambler's chance of rich reward.

These again are not the statements or opinions of the Postmaster General or of his officials; they are the recorded views of responsible officials of the Alberta government. The implication that the acreage is in the Redwater field is misleading, and is suspected of being intended to deceive. The information given in these circulars and letters shipped by the broker-dealer is not in accordance with fact. These are the grounds on which, in this case, the Postmaster General reasonably believed that the mails were being used with intent to deceive and defraud.

I have another case here, Mr. Chairman, of another company selling oil stocks in Alberta, using the services of two brokerage firms. The circulars issued in regard to this company by implication endeavour to link the properties with those of producing properties in the Leduc oil field. Statements are made with the intent of making believe that the wells drilled in this area are successful, to greatly enhance the company's assets. A few of the statements made concerning the possibilities of this company are as follows:

> There appears little or no doubt that all of the sixteen wells scheduled for this quarter section will be commercial producers.
>
> The company has every expectation of being able to look forward within the near future to eighteen producing oil wells.
>
> Although No. 5 well has been delayed, it is only a few feet from No. 3 producer and there is virtually no doubt that it will be equally successful.

The large amount of proven oil reserves below each of these wells has greatly enhanced the company's asset position.

Today these shares are backed not by just a few acres of grazing land but by ten successfully drilled wells of which three are producers and the others are to be put into production as soon as possible—over ten thousand acres—fifteen square miles—of potentially rich oil leases and reservations.

Thus you can see that no longer is this company a "chance" or a speculation.

Many other similar statements could be quoted. So much for the claims; what are the facts? All the rights in one of the fields exploited by this company are rank wildcat. No wells have ever been started near this acreage. The company has drilled a few dry or duster wells in the Lloydminster area. Some of the other wells are not commercially successful. Others have produced water when pumped, are worthless and must be abandoned. The three wells which are producing are pumped; that is, the oil does not flow but has to be pumped. The broker-dealer exploits this information by giving it an improper twist in order to mislead his clients. He indicates that the pumps are to control the flow, whereas in fact such wells as this company has producing do not flow; they must be pumped to get the oil, not to control it.

Again, the foregoing are not the statements of the Postmaster General or of his officials; they are the recorded views of impartial, competent and reliable officials of the Alberta government. The Postmaster General, I think, was justified in concluding that the mails were being used with intent to deceive or to obtain money under false pretences, and in acting accordingly. There again I think the facts speak for themselves.

Another gentleman who had his licence to operate as a broker cancelled by the Ontario securities commission continued to promote his own enterprises, selling his own stock direct instead of through a broker. This is the gentleman, incidentally, who forfeited $50,000 bail in the United States. Not at all abashed by the reasons which prevented him from acting as broker, he has made a great virtue out of necessity and now proudly proclaims in his literature that he employs no brokers and therefore all the money goes to the development of the property.

I believe, Mr. Chairman, that the few examples I have cited are sufficient to establish the unquestionable right of the Postmaster General to conclude that the mails were being used for schemes and devices intended to deceive or defraud the public. In some cases certain individuals may have been used as fronts for the real transgressors, but the fact that they were associated with the offending concerns and allowed their names to be used in the literature made it necessary to include them in the prohibitory order.

Much has been said about the Postmaster General usurping the rights and functions of the securities commission of Ontario. I believe this point was dealt with satisfactorily by my colleague, the Minister of Justice; but, as he pointed out, with the best intentions in the world the securities commission of Ontario could not act in these cases because it lacked jurisdiction. That does not mean, however, that it has not been aware of what has been going on, and has not regretted this situation. It is interesting to note what the commission, through its chairman, had to say on this matter in a report dated February 3 of this year:

It is not necessary to labour the fact that all aspects of trading outside the province have been a grave concern over a period of years since certain promotional houses have been financially able to use the mails extensively in soliciting inquiries or subscriptions for securities.

He adds:

In my view these facts afford a glaring example of over-reaching. They further demonstrate that dealers may readily resort to tactics outside Ontario as suggested in the notice of September 6, 1949, which they would not consider employing in Ontario where chances of detection would be much greater.

Before I conclude, Mr. Chairman, there is one point I wish to touch upon, and that concerns some of the remarks made by the member for Eglinton to the effect that a statement was made by the deputy postmaster general that he did not care what the Supreme Court of Canada, or any other court, might say about the matter. In other words, that power was given to him under the act and the regulations, and h would use those powers without the slightest regard for what the courts might say. This, Mr. Chairman, is a serious accusation. I have looked carefully into the matter, and find that the alleged statement is incorrect. At no time did the deputy postmaster general say anything of the kind. He is well aware that the power under the act is given to the Postmaster General, not to the deputy postmaster general. He placed all the relevant facts before the Postmaster General, who authorized the issuance of these prohibitory orders. All that has been said on this subject by anyone connected with the Post Office Department, from the minister down, is what has been pointed out here tonight, namely, that the law gives the Postmaster General the power to act, and that his right to do so has been upheld by the court, including the supreme court of British Columbia. To twist that statement into an assertion that the deputy postmaster general does not care what the courts might say is a misrepresentation made to the hon.

gentleman, which I have no doubt he accepted in good faith, but which he repeated without too much regard for his responsibility.

I now come, Mr. Chairman, to a statement made by the leader of the opposition on April 5, to the effect that the action taken had the effect of preventing the receipt by some people of securities and other documents to which they were entitled. I have no doubt that here again such information was given to the leader of the opposition, and that he accepted it in good faith, but that is not the case, Mr. Chairman. In every case where the companies represented that they had certificates to deliver for shares or securities bought and paid for, they were permitted to mail out such certificates. It would seem that some hon. members who are so deeply concerned in this matter are constantly trying to create the impression that some law is being flouted by the Post Office Department. In his statement the leader of the opposition used the words of the *Globe and Mail* I believe, and stated that the post office had set itself up as a court, presumably in defiance of the law. Let me again point out, Mr. Chairman, what has been made clear, that the law giving the Postmaster General power to act is explicit and unassailable. It confers on the Postmaster General not only the right but the responsibility to make sure that the post office facilities are not used as instruments of fraud. It has been on the statute books for more than sixty years, during which time it has been invoked repeatedly to prevent the perpetration of fraud and the irregular use of the mails.

It may be that the great majority of the members have never been aware of the existence of this section of the statute, and the regulations enacted thereunder. Certainly some of the remarks in this house, and some of the comments in the press, would indicate that many people were not aware of the exact purpose of this legislation which, in the words of Sir John Macdonald under whose government it was passed in 1889 as my colleague the Minister of Justice mentioned, was intended to give the Post Office Department the power to determine what was and was not deemed desirable under this act, and to prohibit the circulation of dangerous and improper articles. May I say that, in the light of such experience as I have so far been able to acquire, I am inclined to believe that the statutory power and the broad authorization given to the Postmaster General, as previously explained, may still be considered necessary when the taking of immediate action is of essential importance for the protection of the public. It is only fair, however, that the aggrieved party should be given the opportunity of submitting expeditiously reasons why the order complained of should not be maintained. For the present, and at least until some more effective means have been found of protecting His Majesty's mails from being used against the public interest, I submit, Mr. Chairman, that this parliament and the public of Canada should hesitate to cast aside this old statutory provision which has rendered such excellent service in the past.

Mr. Fournier (Hull): I move that the committee rise and report progress.

Mr. Drew: Mr. Chairman, we have had enough railroading on things of this kind.

Mr. Fournier (Hull): Just a moment; two weeks ago the leader of the opposition stood up and made a statement, or put questions to the government, and we had no opportunity of putting a statement of our side of the question on the record before we got into committee. Then a speech was made by the hon. member for Eglinton, and he put his case before us. The Minister of Justice told him he would give him a reply later. I have been trying for two weeks to have these statements put on the record, and I called the item for the post office. I announced last night that we had a few bills to put before the house. This is not the last day of the session, and there will certainly be plenty of time to rebut or answer these statements. I move the committee rise and report progress.

Mr. Drew: Mr. Chairman, the motion that has just been made is entirely inconsistent with the representations that were made to me by the minister who has just spoken. There was no occasion to wait for two weeks if it was intended to present the facts in this way, and then stop discussion at that point. The positively ridiculous statements that have been made by the Minister of Justice and the Acting Postmaster General, and they are ridiculous, are statements that could have been made any day before the orders of the day were called.

Some hon. Members: Order.

Mr. Fournier (Hull): Last night when I announced the business of the house for today I said that we would hope to take up certain small bills, and I gave the numbers of those bills some time during the evening. It is now ten-thirty, and I do not know why the leader of the opposition does not wish to co-operate to this extent. I am not making a request.

Mr. Drew: The minister has made a statement which now necessitates that I state what he repeated to me, not in the statement

to the house. He explained that the reason he was not bringing this up before the orders of the day were called was so that it could be discussed.

Mr. Fournier (Hull): When I moved two weeks ago that we go into supply, I said that we would call the post office, and, on the first item, we would have a discussion regarding the denial of mail service to certain people, and that is where I stopped. Now, there is no misrepresentation in that.

Mr. Casselman: Then the minister said he would not have a statement made on the orders of the day, because it would not be fair, owing to the fact the opposition would not have any opportunity of discussing it and he would, therefore, move to go into supply and take up the Post Office Department so that there would be an opportunity of discussing the matter then.

Mr. Fournier (Hull): I think the hon. member is correct, but that is not misrepresenting what we had in mind. A statement has been made on the calling of the first item for the Post Office Department by the two ministers. You have seen us report progress on the first item and then continue at another sitting. I do not see how the gentleman—

Mr. Fleming: Why should this not be discussed now?

Mr. Drew: Without developing any heat on this, Mr. Chairman,—

Some hon. Members: Oh, oh.

Mr. Drew:—and without precipitating a situation in which charges properly can be made, let us see what the situation is. The Minister of Justice made a statement. In the ordinary course of events it would have been proper for that statement to have been dealt with without anybody raising any objection; but the Acting Postmaster General followed that with another statement. Now an attempt is made to end this discussion with as erroneous an impression as could possibly be given to this committee left by the statements made by the two ministers.

Mr. Fournier (Hull): You know, Mr. Chairman, that I would never try to leave an erroneous impression on the committee.

Mr. Drew: Perhaps you do not know how erroneous it is; but I can assure you it is erroneous as left by the two ministers.

Mr. Fournier (Hull): That is a matter of opinion.

Mr. Sinclair: This motion is not debatable.

Mr. Fournier (Hull): No, it is not debatable; but I should like to co-operate with the leader of the opposition.

[Mr. Drew.]

Mr. Drew: Then let us go on until eleven o'clock.

Mr. Sinclair: Then you are breaking the rules of the house.

Mr. Fournier (Hull): I have a minister here ready to go on with some small bills. I do not see what harm is done to the hon. member if we just postpone the discussion. You will have time to prepare a better speech.

Mr. Fleming: Will the minister permit a question?

Mr. Fournier (Hull): Yes.

Mr. Fleming: What did he mean when he said last night at the adjournment of the house, as reported at page 2300 of *Hansard*:

> If we are successful, we will call three departments, post office, national health and welfare and public works. For some time we will discuss the question of the denial of mail service to certain persons, which was brought up before.

Is the minister going to say that discussion in the house means affording an opportunity for discussion to government ministers and denying it to members of the opposition? Statements have been made here tonight that reflect on members of the opposition; and in ordinary decency and fair play, Mr. Chairman, they should not now be denied an opportunity of replying to them.

Some hon. Members: Order.

Mr. Fleming: To persevere in this way, as the minister is attempting to do, is in effect to throttle free discussion in the committee.

The Deputy Chairman: Order.

Mr. Fleming: I ask the minister not to do this sort of thing, in fairness to his own reputation.

Mr. Fournier (Hull): I said "for some time we will discuss the question", and I understand that we did start the discussion. I am sure you gentlemen will continue the discussion. For tonight I am really asking you to let us study one of the bills announced under the name of the Minister of Resources and Development.

Mr. Drew: Before we go any further I should like, for clarification, to ask a question of the Minister of Public Works in relation to the remark he has just made.

Mr. Fournier (Hull): No—

Mr. Drew: Oh, no questions either!

Mr. Fournier (Hull): If I do not withdraw this motion that the committee rise, I do not think we can discuss particular questions at this stage.

The Deputy Chairman: Mr. Fournier (Hull) moves, seconded by Mr. Gardiner, that the committee rise, report progress and ask leave to sit again.

Mr. Drew: It is the old steamroller.

Mr. Fleming: A shocking procedure.

Mr. McIlraith: Look at your unparliamentary language in *Hansard* tomorrow.

Item stands.

Progress reported.

Mr. Drew: On a point of order, may I address the chair?

Mr. Speaker: On a point of order?

Mr. Drew: On a point of order. The Chairman has just reported progress on the basis of a motion which was not put to the committee.

Mr. Fournier (Hull): I moved, Mr. Speaker, that the committee rise, report progress and ask leave to sit again.

Mr. Speaker: When shall the committee have leave to sit again? Next sitting of the house. Next order of business.

Mr. Drew: We will know now how much we can rely on any assurances that are given.

Mr. McIlraith: Look at your language in *Hansard* tomorrow.

PUBLIC LANDS GRANTS ACT

AMENDMENTS WITH RESPECT TO CONVEYANCE, LEASES, DEFENCE LANDS, ETC.

Hon. Robert H. Winters (Minister of Resources and Development) moved the second reading of Bill No. 12, respecting grants of public lands.

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

Mr. Drew: What is the explanation of the bill?

Mr. Winters: By this bill it is proposed to revise and combine the provisions of two existing statutes, namely, the Public Lands Grants Act and the Ordnance and Admiralty Lands Act. The purpose of this revision is to bring these laws up to date, to drop sections which have become obsolete and to consolidate the remaining provisions into one measure. In addition, several sections of the Dominion Lands Act are embodied in this proposed consolidation. Other sections of the Dominion Lands Act are included in the territorial lands bill. Upon the passing of that bill the Dominion Lands Act will be repealed.

The Public Lands Grants Act as it now exists is in the nature of a residuary measure granting power to the governor in council to dispose of or deal with lands for which no other authority exists. The three main sections of the present Public Lands Grants Act have been carried into the proposed new act. These three sections deal with (1) the use of words of limitation in crown grants; (2) powers of the governor in council; and (3) authority for the execution of leases.

The first of these sections is broadened; as it presently stands, this section applies only to the provinces of Ontario, Manitoba, Saskatchewan and Alberta, the Northwest Territories and Yukon Territory. The purpose of the amendment is to make the sections applicable to all provinces that have abolished words of limitation.

The second section gives the governor in council power to make regulations for the disposal of lands, to prescribe a tariff of fees and to fix a rate of interest to be charged on rent and purchase money. The last of these three sections authorizes the minister having control of the lands to sign leases. The essential feature of the Ordnance and Admiralty Lands Act is preserved in the proposed bill. This is to the effect that all lands required for the defence of Canada are not to be sold but may be used or occupied in such manner as the governor in council directs.

The provisions of the Ordnance and Admiralty Lands Act requiring that such crown lands be divided into class I and class II are dropped. By this separation into classes, a distinction was made between public lands, the title to which could be conveyed by the crown, and those public lands in respect to which there could be no conveyance of title. The bill now before this house removes the necessity for maintaining these classes.

At the present time the only provisions relating to the correction of letters patent are in the Dominion Lands Act and these provisions apply only to the Northwest Territories and Yukon Territory. If letters patent for land in a province contain some error, it is often necessary to obtain a quit claim deed and issue another grant. The provisions relating to the correction of letters patent are therefore included in this bill in a revised form to make such provisions of general application and to prevent such delay and expense.

A new section provides that no title in public lands shall be acquired by prescription, that is to say, by long uninterrupted usage. Title by prescription has been abolished in many provinces and the old law of prescription has no practical application today.

Upon the passing of this bill and the territorial lands bill, the Ordnance and

Admiralty Lands Act, the Public Lands Grants Act and the Dominion Lands Act will be repealed.

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

Sections 1 and 2 agreed to.

On section 3—*Crown grant to convey fee simple.*

Mr. Macdonnell (Greenwood): I note the difference in wording from the previous section. Will the minister explain just what the impact of the provincial laws, if any, is on the section as it now stands. It seems prima facie to override provincial law.

Mr. Winters: This is just bringing the federal statute into conformity with provincial practices.

Mr. Wright: I am not a lawyer. I notice that the explanation here reads:

> The purpose of the amendment is to make the section applicable to all provinces that have abolished words of limitation.

What does "abolish words of limitation" mean? Can the minister explain?

Mr. Winters: I understand that words of limitation are such as are commonly found in a discharge, namely, "heirs, executors, administrators and assigns". These are commonly know as words of limitation.

Mr. Macdonnell (Greenwood): I should like to know a little more about it as well, because it seems to me that it is a very radical departure from the previous one. We should like to know whether this wording has been considered and approved by the Department of Justice.

Mr. Winters: Yes, that is correct.

Section agreed to.

On section 4—*Sale or lease of public lands.*

Mr. Drew: What is the effect of clause 4?

Mr. Winters: Mr. Chairman, this clause gives the crown the right to effect the disposition of public lands.

With respect to paragraph (b) of clause 4 I should like to make the following comment: As indicated in paragraph (a) of section 4 of the bill, it is intended that the governor in council shall have authority under section 4 to authorize only the disposition of public lands "for the sale, lease or other disposition of which there is no other provision in the law"; but while this limitation is made clear in paragraph (a) by the words which I have quoted, it is not made clear in paragraph (b) and on consideration it has been decided that the limitation expressed in paragraph (a) should also be expressed in paragraph (b).

[Mr. Winters.]

It is therefore proposed that paragraph (b) of section 4 be amended by inserting the word "such" immediately before the word "public" in the second line.

I would ask one of my colleagues to move the amendment.

Mr. Garson: I so move.

Mr. Drew: Just what type of lands does this actually refer to?

Mr. Winters: It refers to all types of land not otherwise covered by other acts; and this specific wording is made so that there will be no conflict with war assets, or as it is now called, crown assets disposal corporation. In addition to crown lands administered under the National Parks Act and the Canada Forestry Act, the Department of Resources and Development controls some 350 parcels of both ordnance and admiralty lands and other public lands. The majority of these are located in the eastern provinces, there being about 200 in Ontario and 100 in Quebec.

Many of these properties were acquired for defence purposes years ago and are either no longer required or are to be retained for future use. Owing to the nature of the crown's title, careful investigations are necessary before they can be sold or leased. In the past eighteen months 101 leases have been granted bringing an annual rental of $10,346 and 251 outright sales and agreements for sale have been completed from which the revenue amounted to about $200,000.

In addition to the foregoing, the department administers mines and minerals underlying several hundred parcels of former soldier settlement lands situated for the most part in the western provinces. As these are cleared by the Department of Veterans Affairs, leases of the petroleum and natural gas rights are offered at public competition. The revenue from these competitions since October, 1949, when leasing commenced, amounts to $54,725.

Mr. Drew: The minister has spoken about public competition for these leases. Is there any assurance in this bill that these lands will be publicly offered for sale before they are disposed of?

Mr. Winters: I would suggest to the leader of the opposition that that is covered by section 4, which gives authority to the governor in council to make regulations with respect to the disposal of land.

Mr. Drew: I am asking the question for a purpose. Certain lands have been disposed of without any offer for sale, where there

was no opportunity for competitive bidding. I think that in any legislation we now deal with by way of amendment or otherwise there should be the clear provision that there shall be no disposition without the property being offered publicly for sale, and I would hope that an amendment would be included in this bill accordingly.

Mr. Knight: Paragraph (b) reads:

Make regulations authorizing the minister having the control . . . to sell, lease or otherwise dispose of them . . .

What about timber on these lands? Is there any authority to sell or lease timber rights on certain lands without selling the land itself?

Mr. Winters: I am told, Mr. Chairman, that in a practical sense it does not apply, because there is little or no timber on the land in question. But if and where there is timber it is covered in the general definition of the land.

Mr. Knight: Since the minister has given the definition of public lands as lands not already covered by other acts I suppose I need not ask whether national parks are included in these public lands.

Mr. Winters: That is correct, sir; the answer is no.

Mr. Hodgson: How are the sales made of these public lands? Are they put up for competition?

Mr. Drew: No, just sold to their friends.

Mr. McIlraith: Can't you grow up?

Mr. Winters: If that remark of the leader of the opposition was recorded, I think it should be stricken from the record or withdrawn.

Mr. Drew: I want some information as to what measure of protection there is. I have made a suggestion to the minister that he include in this act, or offer to include, an amendment that would assure that properties to be sold are to be put up for public auction. The way to deal with that remark is to offer to make that amendment; because I know and the minister knows public lands have been sold without tenders being called.

Mr. Winters: That is not the kind of advice we have to take at this time. I suggest that the leader of the opposition is sliding away from the point, as he usually does. If that remark is in the record, then it should be withdrawn.

The Deputy Chairman: Unfortunately here at the table I could not hear the remark supposed to have been made by the leader of the opposition.

Mr. Winters: The remark was that these lands were given to "their" friends. Obviously—

Mr. Drew: No; use the right words. "Sold" was the word.

Mr. McIlraith: You didn't say "sold".

Mr. Winters: My memory is as good as the hon. member's.

The Deputy Chairman: I should like to have an exact interpretation of the words used. One says the word was "given" and the other says "sold". In any event, whether it was "given" or "sold" it implies a certain favouritism of which, of course, the leader of the opposition would not want to accuse the Minister of Resources and Development. I am sure if there is any offensive expression or word which in the opinion of the Minister of Resources and Development should be withdrawn, the leader of the opposition would want to modify it.

Mr. Drew: Mr. Chairman, the time has come to end any pretence that there is discussion here of affairs in this house. I made the proposal to the minister that there should be included in this act an amendment which would carry out the very words he used in regard to certain of these properties, but not all of them. The suggestion was that there be an amendment to this act which would provide that all public properties of this kind will be sold only where the sale is advertised and where there is an opportunity for public bidding. If the minister accepts that, then he disposes of any question in regard to this.

I pointed out before, and I repeat, that public lands have been sold without such public bidding. I am suggesting this, and I do commend to the minister the consideration of such an amendment which would prevent the possibility of anything of that kind happening.

Mr. McIlraith: What about the remark about friends—giving to friends?

The Deputy Chairman: Do I take it that the explanation given by the leader of the opposition corrects whatever expression was used before?

Mr. McIlraith: It does not come near it.

Mr. MacInnis: On the point of order raised by the Minister of Resources and Development, unless the statement made by the leader of the opposition was made directly to and reflected upon the minister, I do not think there is any violation of the rules of the house. As I heard it, the expression was "sold to their friends", not "to his friends". That would mean friends of the government.

While the government may not like it, I think it is neither here nor there. Whether the statement was justified or not is another question; but I do not think it is in violation of the rules of the house when in debate.

The Deputy Chairman: In all these cases I always try to secure agreement between the parties concerned. I have not made any ruling yet, because I did not hear the remark myself. I should imagine however that explanations have been given on both sides, and I thank the hon. member for Vancouver East for his kind remarks and his co-operation. I think we might proceed with debate. Shall the amendment carry?

Mr. Knight: The minister bridled a bit at the remark of the leader of the opposition—and I do not blame him, because I have no doubt that the minister is quite innocent of any malpractice. But from the point of view of taking any holier-than-thou attitude, I would remind him that the reason for my question has to do with timber on these public lands and as to whether public lands can, under any circumstances, be defined as national parks. Because I should like to remind the minister that many years ago there were certain timber leases granted, as the Minister of Justice well knows, in connection with a national park in the province of Manitoba. I understand that that lease is still in operation. When I inquired about it some years ago we were told by the government that it would go on as long as there was a stick on the place fit to cut. The result was that the company to whom it was leased have got the timber and the people of Canada got the stumps.

I hope that situation has ironed itself out. I hope the timber has now been all cut, and I hope the government is not going into any reforestation scheme to sell timber on that particular land for the purpose of the company. Perhaps the minister, if it comes under his department, could give us a word about that. My fear was that there might be a repetition of that sort of thing.

Mr. Winters: Would the hon. member say where and when the lease to which he refers was granted?

Mr. Knight: I have not the particulars here; but my former colleague, the then member for Dauphin, Mr. Zaplitny, brought it out on various occasions in the house. It is on record in *Hansard*.

Mr. Winters: It must have been before 1930, because there are at the present time no timber limits in the park to which he refers.

Mr. Coldwell: The point is that while the lease was granted some years ago, it seems to have been a lease almost in perpetuity. I think that was the discussion. There seemed to be no way of ending it. This company possessed the lease which was granted some years ago—perhaps prior to 1930. It seemed to have the right, and there was no way of ending it. But surely there must be a way of ending it. I see the hon. member for Dauphin is in his seat; perhaps he could throw some light on the matter.

Mr. Ward: Mr. Chairman, I do know something about the timber land that was discussed in the house some few years ago. If the former member for Dauphin had wished, he could have obtained the facts.

Mr. Coldwell: He did; and they were not denied in the house.

Mr. Ward: Well, if they were not denied, then someone did not know the facts.

Mr. Coldwell: The facts were given on the floor of the house, by the government.

Mr. Ward: The facts are—

The Deputy Chairman: Order. It being eleven o'clock shall I report progress?

Section stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow we will continue with this Bill No. 12 respecting grants of public lands. Then we will take up, if time permits, the following bills: Bill No. 81, respecting crown lands in the Yukon Territory and the Northwest Territories; Bill No. 90, to amend the Northwest Territories Power Commission Act; Bill No. 83, to amend the Precious Metals Marking Act, 1946; Bill No. 179, to amend the Research Council Act.

Mr. Fleming: No place here for the discussion of the Post Office.

Mr. Fournier (Hull): When do you want it?

Mr. Fleming: Tonight, at the right time; none of that hit-and-run stuff.

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

APPENDIX

POST OFFICE—DENIAL OF THE USE OF MAILS

Text of Correspondence between Mr. McTague and the Minister of Justice

WHITE, BRISTOL, GORDON, BECK & PHIPPS
BARRISTERS & SOLICITORS

COUNSEL

Hon. Charles P. McTague, K.C.,

220 Bay Street,
Toronto 1, Canada,

April 17th, 1950.

The Honourable Stuart Garson,
Minister of Justice,
Department of Justice,
Ottawa, Ontario.

Re: *Broker Dealers Association.*

As counsel for the Broker Dealers Association of Ontario and acting only in that capacity and not for any individuals concerned, I wish to put before you certain submissions with respect to the action of the Post Office Department stopping the mails to people in, or remotely associated with, the security business here in Toronto.

In the first place, my submission is that under the rule of law, to which we lawyers continually pay lip service, the procedure followed in the Post Office Department is totally without justification.

The powers of the Post Office generally in so far as they appear to be relevant to the matter alleged to be involved here are, I think, to be found in the Post Office Act, Sec. 7 (d) permitting the making of regulations, "for marking on the covering of letters, circulars or other mailable matter suspected to concern illegal lotteries, so-called gift concerts, or other illegal enterprises of like character, offering prizes, or concerning schemes devised or intended to deceive or defraud the public, for the purpose of obtaining money under false pretences, whether such letters, circulars or other mailable matter are addressed to or received by mail from places within or without Canada, a warning that they are suspected to be of a fraudulent character and for returning such letters, circulars or other mailable matter to the senders".

The relevant regulations pursuant to Sec. 7 (d) appear to be 204 and 206, reading as follows:

204—"If it be established to the satisfaction of the Postmaster General that any person is engaged or represents himself as engaged in the business of publishing any obscene or immoral books, pamphlets, pictures, prints, engravings, lithographs, photographs or other publication, matter or thing of an indecent, immoral, seditious, disloyal, scurrilous or libellous character or in the business of an illegal lottery, so called gift concerts, or other similar enterprise offering prizes or concerning schemes devised or intended to deceive or defraud the public for the purpose of obtaining money under false pretences, or in the business of selling or in any wise disposing of counterfeit money or what is commonly called "Green Goods," or of drugs, medicines, instruments, books, papers, pamphlets, recipes, prescriptions, or other things with the object or with the pretended object of preventing conception or procuring abortion, and if such person shall, in the opinion of the Postmaster General, endeavour to use the Post Office for the promotion of such business, or if it be established to the satisfaction of the Postmaster General that any persons are using, or endeavouring to use the Post Office for any fraudulent or illegal purpose, then, in any such case, it is hereby declared that no letters, packet, parcel, newspaper, book or other thing sent or sought to be sent through the Post Office by or on behalf of or to or on behalf of such person, shall be deemed mailable matter."

206—"The Postmaster General has power, under the statute, to mark or cause to be marked upon the covers of letters, circulars, or other mail matter suspected to concern schemes devised or intended to deceive or defraud the public for the purpose of obtaining money under false pretences, whether such letters, circulars or other mail matter are addressed to or received by mail from places within or without Canada, 'suspected to be of a fraudulent character,' and to return such letters, circulars or other mail matter to the senders."

I think you will agree that it is trite law that the regulations cannot be extended beyond the authority given in the statute to make them. For the purpose of my submission to you I am not arguing that these regulations go beyond the statutory authority for them, but I do submit as strongly as I can that the Deputy Postmaster General has gone far beyond what is provided for in the regulations or the statute in the most arbitrary way.

Without any warning whatever, and on the strength of representations made by the United States Post Office Department at the behest of the United States Securities and Exchange Commission and entirely ex parte, without the person suspected having any opportunity to be heard, the mails have not only been arbitrarily cut off, but have been required to be forwarded to Ottawa where they are held for an indefinite period without any commitment or statement of intention to prefer any charges in the courts. Not only that, but in separate hearings of aggrieved persons before the Deputy Postmaster General, their mail has been released upon the exaction of undertakings that they will not further deal in specified securities, or that they will agree to modify the language and terms of circulars sent in the future. The whole procedure is in substance a conviction by the Deputy Postmaster General without a hearing, punishment by cutting off the mails and the exaction of undertakings as a condition on which the penalty will be suspended.

If there is anything in the Post Office Act justifying such procedure, I am unable to locate it. In addition to that, I cannot conceive of any government putting forward legislation to justify such action by way of amendment to the Post Office Act, and I cannot conceive of any parliament enacting such legislation if it were put forward.

Mr. Turnbull seems to take undue comfort, in my opinion, in the Literary Publications Case, I think it is, in British Columbia, (58 C.C.C. 385), in giving him the right to do anything and considering that whatever he does is not reviewable by the courts. He does not seem to realize that the court in that case simply held that there was a right to exercise a discretion under the statute and the discretion having been duly and properly exercised, the courts would not review it. That case concerned an action for damages following an acquittal after a prosecution under the Criminal Code. It appears to me to be no authority for the proposition that the Post Office Department can legislate through the process of administration and in fact set up what amounts to a Star Chamber.

I recall hearing a careful speech made by yourself on the rule of law with many references to the admonitions of Coke to King James. In this affair it is McTague humbly putting forward the same type of admonition to Turnbull through your good self as an understanding intermediary, I hope.

There just cannot be two standards of fraud, one laid down by the courts and a different and private one by the Post Office Department. The Post Office Department has not, as yet, attained judicial status. It appears by its recent actions merely to assert that very untenable position.

As you know, I have had a rather wide experience in the security business. It is my opinion, and I have comparatively recently put my opinion in writing for the benefit of the United States Securities and Exchange Commission, that no provincial legislature has power to control or regulate international or interprovincial trade in securities. While I know of no case directly dealing with securities on the proposition, it has been laid down in reference to other commodities more than once that there is no such power in the province. I make brief reference to the Natural Products Marketing Board case in British Columbia.

The only jurisdiction which can validly enact legislation to control and regulate the sale of securities internationally and interprovincially is the Canadian parliament. If the policy of enacting such legislation is determined upon the government can readily put forward a statute and take its responsibility in that regard. If it does not care to accept such responsibility, surely it should not permit or even tolerate the setting up of a securities commission de facto, but certainly not de jure under the present act within the Post Office Department. Yet that is exactly what is being done at the present time.

At this time there is no law in Canada prohibiting the sale of securities in the United States by circular or otherwise. If the circular is considered to be fraudulent under the laws of Canada let prosecution be brought in the criminal courts, but let us still maintain the fundamental principle of the rule of law and once again abolish Star Chamber methods from which already too many innocent people have suffered greatly.

To stop the mails and ruin people in business on the evidence of circulars, telephone conversations and other gossip, which have taken place many months ago, seems to me a most extraordinary procedure.

I am forwarding a copy of this letter to the Right Honourable the Prime Minister and of course also to Mr. Turnbull.

Sincerely yours,

C. P. McTague.

Ottawa, Canada,
May 2, 1950

The Honourable Charles P. McTague, K.C.,
220 Bay street,
Toronto 1, Ontario.

Dear Mr. McTague:

I have your letter of April 17 with reference to the action of the post office in stopping the mails of certain brokers. You are acting as counsel for the Broker Dealers Association and not on behalf of any of the persons against whom the "Stop" order was directed.

I have inquired as to what took place. The order, which was made with the approval of the Postmaster General and therefore may be regarded as made by him, was to the effect that all mails addressed to or coming from the above (persons named) are to be intercepted and sent specially by first mail to the administration branch, Ottawa. It was stated that this action was being taken as a result of evidence received indicating that the mails were being used for the purpose of obtaining money under false pretences. I am informed that contrary to what you state in your letter the order was not made at the behest of the United States Securities and Exchange Commission.

The action was taken under the authority of paragraph (d) of section 7 of the Post Office Act which authorizes the Postmaster General to make regulations for marking on the covering of letters, circulars or other mailable matter suspected to concern . . . schemes devised or intended to deceive or defraud the public, for the purpose of obtaining money under false pretences, a warning that they are suspected to be of a fraudulent character and for returning such mailable matter to the senders. The mailable matter is marked, "Non-Transmissible" instead of with a warning that it was suspected to be of a fraudulent character. This marking was regarded as less injurious. The matter is returned to the sender.

My information is that each of the brokers named in the order was engaged in the sale of the securities of a single company. The "stop" order was made only after a careful examination was made by experienced officials of the literature which these brokers were circulating, making claims which were so extravagant and untrue as to raise a reasonable suspicion in the mind of the Postmaster General that they related to schemes intended to deceive or or defraud the public, for the purposes of obtaining money under false pretences.

I cannot discover any illegality in this procedure. The statute calls on the Postmaster General to refuse the use of the mails to persons whom he reasonably suspects of using the post office facilities to defraud the public. The only question is whether the Postmaster General had reasonable grounds for his suspicion. From the facts when they are disclosed I think you will have to agree that the Postmaster General did have good grounds for his suspicion.

Perhaps it should be remarked in this connection that none of the brokers has seen fit to take action against the Postmaster General alleging wrongful action on his part, a remedy which the court of appeal of British Columbia held, in the case of *Literary Recreations Limited v. Sauve, 58 C.C.C. p. 358*, to be open to a person against whom such an order has been made.

The next point made by you is that the Post Office cannot "legislate through the process of administration and in fact set up what amounts to a star chamber." I am afraid I do not follow this contention since it appears to me that the Postmaster General was doing precisely what the statute authorized and required him to do.

You point out that the province has no power to control or regulate international trade in securities. That is certainly true where the Post Office is the medium used for carrying on the international trade in securities. But I suggest that it follows from your statement that in this case the Postmaster General is the proper official and the only official who is legally qualified to exercise such control under section 7 subsection (d) of the Post Office Act.

You contend that parliament has not set up a "securities commission *de facto*" within the Post Office Department. I entirely agree with this contention. The Postmaster General's job is not to operate a securities commission. The Postmaster General's duty is to see that the post office facilities are not used to defraud the public. While his efforts to this end may result in protecting investors against the purchase of fraudulent securities, this result is purely consequential and is not, primarily,

his responsibility. Under the law, his statutory duty and responsibility is to maintain the efficiency and reputation of the postal services which he directs. It is for this purpose that he is empowered to stop mail which he suspects is being posted for fraudulent purposes.

As to the question whether criminal proceedings should be instituted, it is not the Postmaster General's duty to prosecute persons guilty of criminal offences. I do not need to remind you that it is the attorney general of the province who enforces the criminal law. The Postmaster General's duty is to take appropriate actions where he has reasonable grounds for suspecting that the mails are being used for fraudulent purposes.

In conclusion, I think I should say that where the state operates a public utility such as the post office, a railway or a radio station there is not thereby conferred upon each citizen an absolute right to utilize the utility, but a conditional right only, the condition being that there should be no abuse. The utility must be operated strictly for the public benefit. The government officials operating the same should have at least as wide powers to protect the public against abuse as the private owners of a public utility would have to protect their patrons. In the case of the post office, parliament has seen fit, in order to protect the service against abuse, to authorize the Postmaster General to refuse the use of mails if he has reasonable grounds for suspecting that a person is making an improper and fraudulent use of them. I am informed that this provision is one of long standing having been introduced in the act by Sir John A. Macdonald in 1889; that it has been beneficially invoked hundreds of times throughout the intervening years; and that similar provisions will be found in the post office statutes of other free countries.

Notwithstanding these facts, the government is quite open-minded with regard to this section and the powers created under it. For many months before this order was made, the government had been engaged in preparing the first general revision and consolidation of the Post Office Act since 1922. In this connection, it has been giving special attention to sections such as section 7 (d) which vest rather wide powers in the Postmaster General. We are inclined to think from the consideration which we have given this matter so far that the experience of our own post office and the post offices of other free countries over the years indicates that the power under section 7 (d) should be retained. We are also inclined to think, however, that it might perhaps be advisable that a summary appeal should be provided from the order of the Postmaster General to the courts; and that upon the hearing of this appeal the appellant should have the right to adduce any relevant evidence in addition to that upon which the Postmaster General based his order. The appellate tribunal should have power either to confirm or discharge the order of the Postmaster General. Pending the hearing and disposition of such appeal, however, the Postmaster General's order should remain in effect and should also, of course, remain in effect if confirmed by the court appealed to.

We can well understand that the organization which you represent will have well-informed views upon this subject matter and if it wishes to present a brief on any of the matters under the Post Office Act in which it has an interest, I can assure you that the government will be glad indeed to give its representations the most careful and thorough consideration.

Yours truly,

Stuart S. Garson.

HOUSE OF COMMONS

Wednesday, May 10, 1950

The house met at three o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

ACQUISITION OF PREMISES OR BUILDINGS FOR FEDERAL GOVERNMENT PURPOSES

Mr. Fulton:

1. How many contracts or arrangements are now in existence, or have been entered into in the three years ending December 31, 1949, in each province, for the construction, purchase or lease of complete buildings, or space in buildings, for federal government purposes, including crown corporations?

2. Of these contracts or arrangements, have any been entered into without first formally advertising or calling for tenders? If so, how many in each province?

3. In the case of each contract or arrangement to construct included in the answer to question 2, what is (i) the date of the contract or arrangement; (ii) the location (city or town and street number); (iii) the name of the building; (iv) the department, departments, or crown company, etc., to be accommodated; (v) the name and address of the builder or contractor; (vi) the total or agreed cost of construction; (vii) the builder's or contractor's fee?

4. In the case of each contract or arrangement to purchase included in the answer to question 2, what is (i) the date of the contract or arrangement; (ii) the location (city or town and street number); (iii) the name of the building; (iv) the department, departments or crown company, etc., to be accommodated; (v) the name and address of the owner or vendor; (vi) the agreed purchase price; (vii) the amount of any agent's or negotiator's fee, or any similar fee or consideration paid, or to be paid, for negotiating the contract; (viii) the name and address of the person to whom such fee was paid, or is to be paid?

5. In the case of each contract or agreement to lease included in the answer to question 2, what is (i) the date of the contract or arrangement; (ii) the location (city or town and street number); (iii) the name of the building; (iv) the department, departments or crown company, etc., to be accommodated; (v) the name and address of the owner or lessor; (vi) the annual rental; (vii) the duration of the lease or agreement; (viii) the amount of any agent's or negotiator's fee, or any similar fee or consideration paid for negotiating the contract; (ix) the name and address of the person to whom such fee was paid, or is to be paid?

Mr. Fournier (Hull): Mr. Speaker, when this question was put on the order paper a memorandum was sent to me by the chief architect of my department which reads as follows:

With reference to the above-mentioned question, may your attention be drawn to the fact that in order to completely and thoroughly furnish the answers will involve a considerable amount of work. There are a great number of contracts, and thousands of leases, which would involve an enormous amount of work in the way of checking and compiling statistics. In view of the detail required there is no doubt that it would take well over three or four months to answer this question intelligently.

After I received this memorandum I discussed the question with the member for Kamloops two or three times. In the last conversation I suggested that perhaps I could ask the officials to redraft the question in a manner that would meet the wishes of the hon. member. They did draft a question, which I sent over to the hon. member, but I am not satisfied that it would give all the information he seeks. If he needs more information I suggest that he drop this question, have the new question put on the order paper, and then perhaps draft another question covering the rest of the information he requires.

Mr. Fulton: Mr. Speaker, as the minister has said, we have discussed this question on several occasions. If it meets with the approval of the house I would accept the minister's suggestion to drop the question as it stands now and substitute for it the question as drafted, while reserving the right to redraft the portion of the question dropped which is not covered by the new question.

Question dropped.

FISHERIES RESEARCH—POWDERED FISH

Mr. Smith (Queens-Shelburne):

1. Has the Department of Fisheries given consideration to research in respect of (a) development of powdered fish as a protein food concentrate; (b) marketing of same?

2. Has such research been carried on?

3. If so (a) at what places were investigations made; (b) under whose supervision; (c) will results be made available to the fishing industry in Nova Scotia and elsewhere?

4. If not, when will this research problem be considered?

Mr. MacNaught:

1. The Department of Fisheries has not recently considered research in respect of (a) development of powdered fish as a protein food concentrate, or (b) marketing of same.

2. Yes.

3. (a) and (b) Research was carried on during war years by fisheries research board of Canada at its fisheries experimental stations at Halifax and Vancouver, in conjunction with similar work by the then Newfoundland

government laboratory at St. John's, by the United States at Seattle and by the U. K. department of scientific and industrial research at Torry, Aberdeen. (c) Yes.

4. In view of somewhat discouraging results of the wartime effort, further research is not contemplated in the immediate future.

ROYAL CANADIAN NAVY—OPERATING AND MAINTENANCE COST OF SHIPS

Mr. Pearkes:

1. What is the average daily operating and maintenance cost of H.M.C.S. *Magnificent* (a) when at sea; (b) in harbour; (c) in reserve?

2. What is the average daily operating and maintenance cost of H.M.C.S. *Ontario* (a) when at sea; (b) in harbour; (c) in reserve?

3. What is the average daily operating and maintenance cost of a Canadian destroyer (a) when at sea; (b) in harbour; (c) in reserve?

4. What is the average daily operating and maintenance cost of a Canadian frigate (a) when at sea; (b) in harbour; (c) in reserve?

Mr. Blanchette:

1. (a) At sea, $11,200; (b) in harbour, $7,000. (c) This ship has not been in reserve since taken over from Royal Navy, April, 1948. Estimated daily cost is $250.

The above does not include the two air carrier groups, operating from ship and shore, the daily cost of which is estimated at $4,250.

2. (a) At sea, $10,300; (b) in harbour, $5,400. (c) This ship has not been in reserve, but the estimated daily cost is $230.

3. (a) At sea, $4,077; (b) in harbour, $1,900; (c) in reserve, $133.

4. (a) At sea, $1,509; (b) in harbour, $997; (c) in reserve, $83.

REQUESTS FOR TRANSFER TO CANADA OF SOLDIERS BURIED OVERSEAS

Mr. Gagnon:

1. Have requests been made to the government by certain Canadian families with a view to repatriating the bodies of the members of such families who died during world war II and were buried overseas?

2. Were arrangements made for meeting such requests?

3. If not, for what reasons?

Mr. Blanchette:

1. Yes.

2. No.

3. The question of repatriation of war dead to their respective countries received most sympathetic consideration by the governments of the countries of the commonwealth during and at the conclusion of the great war, 1914-18. At that time, it was decided by all the commonwealth countries that all should remain together in the cemeteries which would be attended by the war graves commission acting in the interest of all. After the most serious consideration by all the governments concerned, the same policy has been continued in respect to the fallen of the second world war. While representations have been received from individual next of kin seeking to bring the remains of the fallen to this side, these have been relatively few in number and there can be no doubt but that the policy adopted has met with the support of the vast majority of relatives. Undoubtedly, one reason for this has been that it has been applied without a single known exception ever since 1914.

HAGERSVILLE, ONT., ARMY DEPOT—LIVING QUARTERS

Mr. Catherwood:

1. Have any steps been taken by the Department of National Defence to construct additional living quarters at the army depot at Hagersville, Ontario?

2. If so, will separate quarters be built for married personnel?

Mr. Blanchette:

1. No married quarters are under construction or planned for Hagersville, but the need for married quarters at this and other defence establishments is under constant review, having regard to the relative needs and long-term plans for each such establishment.

2. Answered by No. 1.

FEDERAL BUILDINGS IN ST. JOHN'S, NFLD.

Mr. Higgins:

What steps have been taken with respect to the erection of federal buildings in St. John's, Newfoundland?

Mr. Fournier (Hull): An investigation is now under way to determine suitable sites for federal buildings.

NEWFOUNDLAND—NATIONAL PARK

Mr. Higgins:

1. Has any application been made by Newfoundland for the establishment of a national park?

2. If so, what site has been suggested as being suitable?

Mr. Prudham:

1. There has been an exchange of correspondence, but no formal application has been made.

2. The federal government has been invited to investigate certain areas with a view to determining their suitability. It is expected this investigation will take place in the near future.

AGRICULTURAL PRODUCTS—DUMPING DUTIES

Mr. White (Middlesex East):

1. Upon what American agricultural products are dumping duties applicable, naming each individual product separately?

2. In the past five years, on what products have dumping duties been applied?

3. In what year or years were dumping duties applied to each of the above products, and for what length of time in each case has it been applied?

Mr. Winters:

1. Dumping duty as provided by section 6 of the Customs Tariff applies in respect to all agricultural products of a class or kind produced in Canada.

Questions

2. Imposition of dumping duties as provided for under section 6 was suspended under the War Measures Act from 19th December, 1941, until March 31, 1947, except in respect to fresh fruits and vegetables.

3. In the fiscal years 1947-48 and 1949-50, fixed values for duty were established under section 43 of the Customs Act, with dumping duty, in respect to the fresh fruits and vegetables and for the periods as shown in the statement attached. In the calendar year 1948, importations of fresh fruits and vegetables were subject to the regulations under the Emergency Exchange Conservation Act and no fixed values were established.

Fresh Fruit and Vegetables on which values for duty were fixed under Section 43 of the Customs Act during the Fiscal Years 1947-48 and 1949-50

Product	Actual Period	1947 - 1948 Effective Dates	Actual Period	1949 - 1950 Effective Dates
	days		days	
Apples	158	Ont. and Que. July 26–Dec. 31		
Cantaloupes and Muskmelons	56	Ont. and Que. July 29–Sept. 23		
	52	Man. and West Aug. 2–Sept. 23		
Cherries	49	Ont. and Que. June 24–Aug. 12		
Peaches	63	Man. and West July 18–Sept. 19		
	63	Ont. and Que. July 26–Sept. 27		
	49	Maritimes Aug. 12–Sept. 30		
Pears	45	Man. and West Aug. 1–Sept. 15	105	Ont. and Que. Sept. 30–Jan. 13
	60	Ont. and Que. Aug. 9–Oct. 8	105	Man. and West Sept. 30–Jan. 13
Plums	70	Man. and West July 18–Sept. 26		
	70	Ont. and Que. July 26–Oct. 4		
Prunes	19	Man. and West Aug. 14–Sept. 2	22	Ont. and Que. Sept. 30–Oct. 22
	56	Ont. and Que. Aug. 21–Oct. 16	22	Man. and West Sept. 30–Oct. 22
Strawberries	42	Ont. and Que. June 12–July 24		
	42	Man. and West May 31–July 12		
Beans	98	Ont. and Que. July 4–Oct. 10		
Beets	34–76	Ont. and Que. June 24–July 28; Oct. 16–Dec. 31	67	Ont. and Que. Jan. 24–Apr. 1
Cabbage	52–76	Ont. and Que. May 30–July 21; Oct. 16–Dec. 31	90–67	Ont. and Que. May 20–Aug 18; Jan. 24–Apr. 1
	56	Man. and West June 13–Aug. 8	182	Man. and West June 23–Dec. 22
Carrots	49–76	Ont. and Que. June 24–Aug. 2; Oct. 16–Dec. 31	69–113	Ont. and Que. June 10–Aug. 18; Nov. 24–Mar. 17
	113	Man. and West June 26–Oct. 17	182	Man.and West June 23–Dec. 22
Celery	181	Man. and West July 3–Dec. 31	168	Ont. and Que. Sept. 14–Mar. 1
	95	Ont. and Que. Sept. 27–Dec. 31	128	Man. and West Sept. 14–Jan. 20
			55	Maritimes Nov. 29–Jan. 23
Cucumbers	140	Ont. and Que. May 15–Oct. 2		
	119	Man. and West June 20–Oct. 17		
Lettuce	126	Ont. and Que. May 27–Sept. 30	104	Ont. and Que. May 6–Aug. 18
	126	Man.and West June 4–Oct. 8	126	Man. and West May 18–Sept. 21
			81	Maritimes May 31–Aug. 20
Onions, n.o.p.	180	Man. and West July 4–Dec. 31	276	Ont. and Que. June 29–Apr. 1
	176	Ont. and Que. July 8–Dec. 31	276	Man. and West June 29–Apr. 1
			45	Maritimes Feb. 15–Apr. 1
Peas	84	Ont. and Que. June 24–Sept. 16		
Tomatoes			141	Ont. and Que. June 17–Nov. 5
			122	Man. and West June 28–Oct. 28

The only commodity on which the value for duty was fixed under section 43 of the Customs Act in the fiscal year 1948-49 was onions, n.o.p. The value for duty was fixed on importations all across Canada for a period of 64 days from January 27 to April 1, 1949.

Questions

LABOUR CONDITIONS—WOMEN—EQUAL PAY FOR EQUAL WORK

Mr. Knowles:

1. Has the government any information on the purpose and functions of the women's bureau of the United States Department of Labour?

2. If so, is such information available (a) to members of parliament; (b) to the public?

3. What are the titles of any documents in possession of the government dealing therewith?

4. Has the government any information on equal-pay-for-equal-work legislation in the United States, or in any of the several states thereof?

5. If so, is such information available (a) to members of parliament; (b) to the public?

6. What are the titles of any documents in possession of the government dealing therewith?

Mr. Cote (Verdun-La Salle):

1. Yes.

2. (a) and (b) Yes. On application to the librarian, Department of Labour, Ottawa.

3. United States Government Manual, 1949, pages 329-30.

"The Women's Bureau; its Purpose and Functions", leaflet issued by the bureau.

Weber, G. A., "The Women's Bureau; its History, Activities and Organization." Baltimore, the Johns Hopkins Press, 1923. 31 pages.

All publications of the women's bureau are currently received by the departmental library.

4. Yes.

5. (a) and (b) Yes. On application to the librarian, Department of Labour, Ottawa.

6. "Equal Pay for Women." Women's Bureau of the United States.

"State Laws of Special Value to Women", January 1, 1950. Women's Bureau of the United States.

"Summary of State Labor Laws for Women", January 1, 1950. Women's Bureau of the United States.

"Annual Digest of State and Federal Labor Legislation" issued by the Division of Labor Standards, United States Department of Labor.

"State minimum wage laws and orders", published at irregular intervals by the women's bureau, United States Department of Labor. (Latest bulletin covers period July 1, 1942, to January 1, 1949).

United States federal and state bills and acts pertaining to labor; "Labor Relations Reporter", issued by the Bureau of National Affairs.

ILO legislative series.

New York State Department of Labor: Industrial bulletins (monthly); Weekly Legislative Digest.

Other publications.

[Mr. Winters.]

DEPARTMENT OF LABOUR—WOMEN'S BUREAU

Mr. Knowles:

1. Is there any branch or division of any department of the federal government corresponding to the women's bureau of the United States Department of Labor?

2. Has consideration been given to the establishment of a women's bureau of the Department of Labour here in Canada?

3. Have any representations been received by the government asking for the establishing of a women's bureau? If so, from whom, and under what dates?

Mr. Cote (Verdun-La Salle):

1. In Canada there is no federally-operated agency which is comparable to the women's bureau of the United States department of labor.

There is, however, a division of the national employment service which corresponds to a degree with the women's bureau of the United States department of labor. This division is headed at head office by an adviser on women's employment. A brief statement of her duties is as follows:

(a) To deal with the special interests and problems of women in relation to their interests in the employment field.

(b) To develop and maintain liaison with women's national organizations which are interested in the employment of women.

(c) To represent women and to advise on the woman's viewpoint in regard to the establishment of policies and procedures in the national employment service.

(d) To functionally supervise all operations of the service dealing with women.

(e) Administrative and consultive duties dealing with the general administration of the service and with special projects such as female displaced persons, domestic service, et cetera.

There are similar positions at regional level, and the commission's policy is to have female officers deal with women in so far as possible. Where the volume warrants it, women's supervisors are female; and where the supervision is over a joint male and female function, the supervisory position is open to either males or females on equal terms.

2. The needs of the service are constantly under review.

3. Yes. From the Young Women's Christian Association, in 1945; from the National Council of Women, in 1945 and in 1946.

TORBAY, NFLD., AIRPORT—LANDING EQUIPMENT

Mr. Higgins:

1. Have any steps been taken to instal instrument landing equipment at Torbay airport?

2. If so, when is such installation to be made?

Mr. Martin:

1. Yes.

2. During the present year.

DORVAL, QUE., AIRPORT—EXTENSION OF RUNWAYS

Mr. Higgins:

1. Are the runways at Dorval airport to be extended and reinforced to accommodate Boeing aircraft?

2. If so, when is construction to begin?

Mr. Martin: The runways are not being extended this year, but the possibility of designing and strengthening them for heavier aircraft loading is now under study by departmental engineers.

IMPORTS OF STARCH

Mr. Hatfield:

1. What quantity of potato starch was imported into Canada, and from what countries, during the year 1949?

2. What was the value of same?

3. What quantity of corn starch was imported into Canada during 1949, and what was the value of same?

4. What other starches were imported into Canada during the year 1949?

Mr. McIlraith:

1 and 2.

Country	Lbs.	Value
United Kingdom	200	$ 40
Netherlands	98,854	5,340
United States	1,065,120	67,596
Totals	1,164,174	$72,976

3. Corn starch is not separately classified in Canadian trade statistics. It is included in a classification which reads: "Starch, including corn starch, and all preparations having the quality of starch, n.o.p.". Imports under this classification during the calendar year 1949 amounted to 3,980,451 pounds valued at $254,011.

4. "Sago starch or flour and cassava starch or flour, for edible purposes". Imports in 1949 amounted to 223,888 pounds valued at $19,371.

"Dextrine and combinations or preparations of starch and dextrine without admixture of foreign material, n.o.p.". Imports in 1949 amounted to 2,987,643 pounds valued at $253,868.

"Combinations or preparations of starch and dextrine with admixture of foreign material, n.o.p., which, when mixed with cold water, do not form an adhesive paste". Imports in 1949 amounted to 116,600 pounds valued at $12,440.

KIRKFIELD PARK, MAN., D.V.A. PROPERTY

Mr. Bryce:

1. Has the property at Kirkfield Park, Manitoba, on which certain buildings had been started by D.V.A., been sold?

2. If so, to whom?

3. Has transfer to the purchaser been effected?

4. If not, what is reason for delay?

Mr. McIlraith:

1. Offer to purchase the land has been recommended for acceptance.

2. Mr. Robert McInnes, 238 Arlington Street, Winnipeg.

3. No.

4. Awaiting signed agreement and balance of purchase price.

SALE OF THOROUGHBRED HORSES IN THE UNITED STATES—PAYMENT IN U.S. DOLLARS

Mr. Ross (Hamilton East):

1. How many Canadians received American dollars in the year 1949, and what was the total amount received for the purchase of (a) thoroughbred race horses; (b) thoroughbred standard bred horses; (c) thoroughbred hunters; (d) thoroughbred show horses?

2. How many Canadians sold horses such as above and received American dollars, and what was the total amount received?

Mr. Sinclair: The records of the foreign exchange control board are not maintained in such a manner as to make it possible to obtain the answer to this question.

PUBLIC SERVICE—ADVERTISEMENT IN OTTAWA "CITIZEN"

Mr. Diefenbaker:

1. Was the advertisement appearing in the Ottawa *Citizen* during the past two weeks and reading, "Secretaries required by interesting organization, male or female. Experienced stenography necessary. Starting $125 to $180 depending on qualifications. Box 341 Citizen," inserted by any government department or board?

2. If so, which?

3. How many applicants replied to the advertisement?

4. Were such applicants required to undergo a verbal or written examination by any officials of the said department as to qualifications?

5. Did the civil service commission authorize such department to proceed in this manner rather than through the medium of the commission?

Mr. Prudham:

1. Yes; on April 17, 18 and 19.

2. The national film board.

3. Three.

4. Each applicant will be interviewed by a personnel officer. If they appear suitable, each will then be given a qualifying test.

5. No. Appointments at the national film board are made under authority of the National Film Act.

Questions

EXPORTS AND IMPORTS VIA NEWFOUNDLAND

Mr. Browne (St. John's West):

What is the value of (a) imports; (b) exports, via Newfoundland ports, for the year ending March 31, 1950?

Mr. McIlraith:

(a) Imports, $22,493,607.

(b) Exports (Canadian produce), $92,035,066; exports (foreign produce), $1,404,841.

PULPWOOD, VENEER AND LUMBER LOGS—EXPORTS TO UNITED STATES

Mr. Hodgson:

1. What was the value of pulpwood exported to the United States in the year ending March 31, 1950?

2. What was the value of veneer or lumber logs exported to the United States in the year ending March 31, 1950?

3. How do the above exportations of veneer or lumber logs and pulpwood compare with the years 1946, 1947, 1948 and 1949?

Mr. McIlraith: External trade statistics are maintained on a calendar year basis. Exports of pulpwood and logs to the United States during the calendar years 1946 to 1949 were as follows:

Year	Pulpwood $	Logs $
1946	28,731,150	1,508,606
1947	34,053,976	2,077,890
1948	42,237,021	3,611,252
1949	30,592,706	2,648,049

IMPORTS OF WOOD AND WOOD PRODUCTS

Mr. Hodgson:

1. What is the value of wood and wood products imported into Canada during the fiscal year ended March 31, 1950?

2. How does this amount compare with the value of the imports of wood and wood products during the years 1946, 1947, 1948 and 1949?

Mr. McIlraith: External trade statistics are maintained on a calendar year basis. Imports of wood and wood products during the calendar years 1946 to 1949, were as follows:

Year	Value $
1946	20,052,363
1947	34,586,001
1948	25,249,352
1949	30,180,225

IMMIGRATION, 1949

Mr. Hodgson:

1. How many displaced persons were brought to Canada during the year 1949?

2. How many other persons immigrated to Canada during the same year, and from what countries?

3. How many from each country?

Mr. Harris (Grey-Bruce):

1. 37,764.

[Mr. Prudham.]

2. Immigration to Canada, other than displaced persons, by country of last permanent residence, for the calendar year 1949:

Africa, British	144
Africa, not British	81
Asia	1
Australia	354
Austria	216
Belgium	837
Bermuda	44
Bulgaria	15
Central America	23
China	855
Czechoslovakia	1,261
Denmark	851
Eire	927
England	14,403
Estonia	232
Finland	168
France	1,106
Germany	117
Greece	667
Holland	6,812
Hong Kong	179
Hungary	190
Iceland	7
India, British	108
Ireland, Northern	1,058
Italy	7,654
Japan	18
Yugoslavia	43
Latvia	68
Lesser British isles	42
Lithuania	42
Malta	251
Mexico	41
New Zealand	232
Norway	353
Palestine	53
Poland	2,384
Portugal	16
Roumania	84
Russia	13
St. Pierre and Miquelon	31
Scotland	4,925
South America	472
Spain	13
Sweden	453
Switzerland	394
Syria	88
Turkey	6
Ukraine	2
United States	7,756
Wales	339
West Indies, British	404
West Indies, not British	57
Other European countries	10
Other countries, British	528
Other countries, not British	25
Total	57,453

3. See answer to No. 2.

QUESTIONS PASSED AS ORDERS FOR RETURNS

COMBINES INVESTIGATION ACT—REPORTS—PRICE FIXING ARRANGEMENTS

Mr. Coldwell:

1. How many copies of the following reports of the former combines investigations commissioner were printed, and how many have been distributed: dental supplies, optical goods, bread baking industry in western Canada, flour milling industry, flat glass, matches?
2. Has the government taken any steps to ascertain whether the flour milling industry has continued or resumed the price fixing and other arrangements which the combines commissioner reported, or to prevent their continuance or recurrence?

Mr. Garson: Return tabled.

ILE A LA CROSSE, SASK., POSTMASTERSHIP—L. M. MARION

Mr. Coldwell:

1. Is the present temporary postmistress at Ile a la Crosse, Saskatchewan, the wife of Mr. L. M. Marion?
2. Did Mr. L. M. Marion construct a telegraph line between Dillon and Bull's House in Saskatchewan?

DEPARTMENT OF LABOUR—"TWO MINUTES OF EMPLOYMENT FACTS"

Mr. Diefenbaker:

1. How many copies of "2 Minutes of Employment Facts" are issued, and how often?
2. What is the cost per issue (a) for printing; (b) for distribution?
3. Is the distribution franked?
4. What would be the cost of postage if not franked?
5. What would be the saving in cost if issued quarterly?
6. What would be the saving if printed in one colour only?

Mr. Cote (Verdun-La Salle): Return tabled.

NAVAL SERVICE—HUDSON BAY ROUTE

Mr. Knight:

1. Did certain Canadian naval vessels spend some time in Hudson bay and the port of Churchill in 1949?
2. Did their crews make a meteorological survey of those waters?
3. If so, has the government used the findings of such survey as a basis upon which to urge upon insurers of shipping a reduction in marine insurance rates over the Hudson bay route?
4. Were any representations to insurers of shipping made by any department of the government since the close of 1949 shipping season asking for a reduction in marine insurance rates on that sea route?
5. Has the government given consideration to the setting up of a naval establishment of a permanent nature at Churchill?

NATIONAL COUNCIL ON PHYSICAL FITNESS

Mr. Knight:

1. In what ways and to what extent has the national council on physical fitness carried out the duties outlined in section 4(1) of the National Physical Fitness Act?
2. What activities are carried on by the provincial authorities who are responsible for the use of the grants made under the terms of the act?
3. What proportion of their programs is conducted for pre-school children, school children, out-of-school youth, adults under 60 years of age, and adults 60 years of age and over?
4. Have special programs and/or services been organized for industrial and agricultural workers?
5. What contracts has the council entered into since the passing of the act, and what personal and real property has the council acquired as provided for under section 6 of the act?

OLEOMARGARINE

Mr. Kickham:

1. What duty, if any, is imposed on edible fats coming into Canada for use in the manufacture of margarine?
2. What quantity of edible fats used in the manufacture of margarine has been imported into Canada during the last twelve months?
3. Under what brand name are these edible fats used in the manufacture of margarine known?
4. From what countries are edible fats used in the manufacture of margarine in Canada imported?
5. From what source are edible fats used in the manufacture of margarine derived?
6. Is the product known as margarine imported into Canada from any country?
7. What quantity of margarine in pounds has been manufactured in Canada during the last twelve months?
8. Is margarine exported from Canada to any country?
9. What quantity of edible fats used in the manufacture of margarine has been produced in Canada during the last twelve months, and from what sources have they been derived?

MOTIONS FOR PAPERS

DORCHESTER, N.B., POST OFFICE

Mr. Brooks:

For a copy of all correspondence, directives and instructions, from January 1, 1947, to date, in connection with the removal or change of post office and postmaster at Dorchester, New Brunswick.

GRAND RIVER, QUE., PUBLIC WORKS

Mr. Courtemanche:

For a return showing a copy of payrolls and lists of materials used in connection with the work performed on the Grand river (Grande riviere), county of Gaspe south, during the summer of 1949.

PRAIRIE FARM ASSISTANCE ACT

AMENDMENT TO EXCLUDE CERTAIN AREAS, ETC.

Right Hon. J. G. Gardiner (Minister of Agriculture) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to bring in a measure to amend the Prairie Farm Assistance Act, 1939, to exclude certain areas of land from the operation of the act; to repeal the limitation that the shape of blocks of sections brought into payment in ineligible townships should be rectangular in shape; and to provide further for the exemption from payment of the one per centum tax previously collected from certain flour mills.

Inquiries of the Ministry

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the consideration of the house.

Motion agreed to.

FLOOD CONDITIONS

SOUTHERN MANITOBA—REQUEST FOR OPENING OF GATES AT LOCKPORT

On the orders of the day:

Mr. J. S. Sinnott (Springfield): Mr. Speaker, two hundred and fifty families have been evacuated from the city of Winnipeg to the town of Beausejour, Manitoba. I had to say those few words to indicate the importance of my question. Will the Minister of Public Works issue definite instructions that the gates which are used for navigation purposes at Lockport, Manitoba, be immediately lifted to alleviate flood conditions in Manitoba?

Hon. Alphonse Fournier (Minister of Public Works): Just before entering the house I was told that a question would be asked concerning the opening of these gates. I have been informed that they are open to a certain extent, but that there is still some ice which prevents them from being opened completely, and there would be danger in trying to open them completely. As soon as they can be fully opened, instructions have been given that this be done.

JAPANESE PROPERTY

INQUIRY AS TO TABLING OF REPORT OF CLAIMS COMMISSION

On the orders of the day:

Mr. Angus MacInnis (Vancouver East): I should like to ask a question of the Minister of Justice. Has the minister received the report of the royal commission that was appointed to inquire into the properties of persons of Japanese origin who were evacuated from the defence coast of British Columbia in 1942? If the report has been received, will it be tabled, or will the minister make a statement in regard to it?

Hon. Stuart S. Garson (Minister of Justice): The report to which my hon. friend refers came in in this morning's mail; at least it came to my desk this morning. I presume it was in the morning's mail, perhaps from the justice department in the Justice building. I should like to have an opportunity of perusing it before I table it. It will be considered shortly.

[Mr. Gardiner.]

NATIONAL HOUSING ACT

QUESTION AS TO PROCLAMATION OF PROVISION WITH RESPECT TO HOME IMPROVEMENT LOANS

On the orders of the day:

Mr. A. Earl Catherwood (Haldimand): I should like to direct a question to the Minister of Resources and Development. Has the government given consideration to the proclamation of that section of part IV of the National Housing Act, providing for loans for home improvements, which was passed in parliament in August, 1944? If consideration has been given, is the minister prepared to make a statement as to what action is contemplated by the government?

Hon. Robert H. Winters (Minister of Resources and Development): I thank the hon. member for giving me notice of this question. A number of requests have been made for proclamation of this section and a number of recommendations have also been received to the contrary. The matter is being considered by the government.

PUBLIC LANDS GRANTS ACT

AMENDMENTS WITH RESPECT TO CONVEYANCE, LEASES, DEFENCE LANDS, ETC.

The house resumed, from Tuesday, May 9, consideration in committee of Bill No. 12, respecting grants of public lands—Mr. Winters—Mr. Dion in the chair.

Section 4 as amended agreed to.

On section 5—*No title by prescription.*

Mr. Browne (St. John's West): I notice that this section reads:

> No right, title or interest in or to public lands shall be acquired by any person by prescription.

Then the note on the other side of the page says:

> Title by prescription has been abolished in many provinces under the provincial land titles acts.

It does not say that all the provinces have that condition. I am under the impression that in Newfoundland at least there is no such act. Is the minister in a position to say how many provinces have a provincial land titles act which applies? Because if it does not apply, the effect of this section will be to bring in a prescription act that will affect property rights in a province in which a provincial land titles act does not apply.

Mr. Winters: I am not familiar with the particular situation in Newfoundland. I will attempt to obtain the information. This regulation with respect to prescription states that, where people occupy land for a period

of sixty years, the land in effect became theirs. That is being abolished under this act.

Mr. Browne (St. John's West): Is that not interfering with the jurisdiction of the provinces with respect to property rights? People who now have prescriptive rights on property will have their rights interfered with.

Mr. Winters: I do not see that it is, Mr. Chairman. This has to do only with lands held by His Majesty for Canada.

Mr. Browne (St. John's West): Suppose a man acquires property after this date, which is passed over to him by the province, but the people have already had prescriptive rights earned against that property. Then this act will apply, and they will lose whatever rights they had gained.

Mr. Winters: No; I cannot see that that would in any way be interfering with provincial rights. If it were turned over to the crown by the province, it would be accepted by the crown as property turned over by the province as of the date on which it was transferred.

Mr. Browne (St. John's West): Suppose, for instance, there is certain land in the province of Newfoundland at the present moment on which a person has been squatting for twenty years, and that land is then transferred to the Dominion of Canada. The Dominion of Canada, I suggest, would normally take that land subject to the right of twenty-five years; unless they take action about it, this will wipe out any rights they have earned.

Mr. Winters: The prescription in that case would run from the date of the original; and the example that my hon. friend quoted would run for another thirty-five years.

Mr. Knight: We had opened up an interesting discussion last night. I think the minister was to carry on with the discussion I had started under section 4—but it is perhaps more applicable to section 6—in regard to a timber lease in Riding Mountain park in Manitoba. I think the minister said that he was going to look the matter up. The hon. member for Dauphin had begun to speak about the matter when he was overtaken by the clock. Has the minister had any information on the status of that lease, whether it is still in operation, or whether it has been totally done away with?

Mr. Winters: I think I intimated last night, although probably not clearly, that there are no such leases now existing in Riding Mountain park; that there are only about eight or nine such leases in Canada, and that they are all in British Columbia. The problem therefore no longer exists in Riding Mountain park.

Mr. Browne (St. John's West): I must come back to the section again, Mr. Chairman. I am not satisfied with the answer I received from the minister. I suggest to him that any rights which a person has will be completely wiped out by this section. The note he has there does not give us the information we should have as to how many provinces are governed by provincial land titles acts. Are all the provinces except Newfoundland governed by provincial land titles acts which are supposed to have wiped out a person's rights under prescription?

Mr. Winters: No; not all the provinces have provincial land titles acts. I think the eastern provinces generally do not have them, but the western provinces do.

Mr. Browne (St. John's West): If they have not such acts, I suggest that the effect of this is to interfere with property rights in the provinces and that it is therefore unconstitutional. Has the minister had an opinion from the Minister of Justice on this section?

Mr. Winters: Yes, we have; and the opinion is that we are not interfering with the legal rights of the provinces.

Mr. Browne (St. John's West): What are you interfering with? You are interfering with something.

Section agreed to.

Section 6 agreed to.

On section 7—*Defence lands.*

Mr. Macdonnell (Greenwood): Mr. Chairman, I suggest that clause 7 quite clearly may take away certain rights. I also suggest one obvious mistake in the wording. I shall read the clause:

> Such of the lands mentioned in the schedule to the Ordnance and Admiralty Lands Act as at the commencement of this act are vested in His Majesty in right of Canada, by whatever mode of conveyance they were acquired or taken, whether in fee, for life, for years or for otherwise,—

The word "for" is obviously wrong.

> —and all appurtenances thereof, are and continue absolutely vested in His Majesty for the purposes of Canada.

I suggest that what this means is that a title which may now be conveyed for years, as indicated in the earlier part of the section, by reason of these unqualified words at the end, "are and continue absolutely vested in His Majesty," might very well be altered to extend the rights of the crown in a way that was never intended. I suggest there

should be words added to the section to indicate that they are to be vested in His Majesty —some such words as these: for all of His Majesty's right, title and interest therein. Otherwise I suggest what you are doing is making what is now a partial title into an absolute title.

Mr. Winters: This section as drafted carries the judgment of course of the Department of Justice, and is, I believe, almost word for word a reproduction of section 2 of the old act, the act respecting ordnance and admiralty lands, which reads:

All the lands mentioned in the schedule to this act, by whatever mode of conveyance the same have been acquired or taken, whether in fee, for life, for years or otherwise, and all the appurtenances thereof, are and shall be and continue absolutely vested in His Majesty for the purposes of Canada.

Mr. Macdonnell (Greenwood): I am not interested in what other section there may be in another act. What I am interested in finding out is what this section means. What I want the minister to tell me is whether there is any substance in what I have said. I think there is. I have consulted with one lawyer of some eminence on these words. I want an answer, not merely a statement that it is in another section. So far as I can see on the face of it, it is wrong. I want an answer which has some reasoning attached to it.

Mr. Winters: As I understood the hon. member's question, it was whether or not this was correct and did what it purported to do. My answer is that in my understanding and to the best of the judgment of the Department of Justice, it does.

Mr. Macdonnell (Greenwood): That again is a general assurance which carries very little value. I should like to see a definite opinion from the Department of Justice that indicates no such result as I suggest would ensue. If there is such an opinion, if this point has been considered, perhaps I can be answered, but I have not been answered yet. I may say, Mr. Chairman, there have been times, even in my short time in parliament, when governments were prepared to consider suggestions made from other quarters; but so far as I can see they are not even prepared to consider them now.

Mr. St. Laurent: Mr. Chairman, I do not think that remark was called for. We have treated the hon. member with deference, the deference which he deserves, because I think he is always anxious to improve, if he can, the legislative language that is used in the statutes we propose. I do not think he listened carefully to what the minister said. The minister said that in the Ordnance and Admiralty Lands Act there was a provision which declared that all the lands mentioned in the schedule, at whatever date they had been conveyed to the crown, were vested absolutely in the crown. That is a statute that has been in existence over the years. This has to do only with those lands, and purports to say that they will continue to be vested in the crown. That is, those that were declared by the Ordnance and Admiralty Lands Act to be and to continue to be vested in the crown are being declared by this section, which replaces it, to continue to be vested in the crown. It is not something having a new effect; it is something which continues the effect of chapter 115 of the revised statutes, which itself was a revision of a prior act.

Mr. Macdonnell (Greenwood): I should like to ask the Prime Minister this question. After all, no one questions the Prime Minister's standing in the legal profession. Does the Prime Minister think there is nothing in the suggestion which I have made, that as this matter stands it might very easily convey a title which, though covered by the previous act, may still be a title for years, and can by these words be turned into an absolute title? Will the Prime Minister say whether, if there is no possibility of that, there would be the slightest objection to putting in the proper words to indicate that the title, which is to remain in the crown, is merely such title as they have had? That is my whole point, and I think the Prime Minister appreciates it.

Mr. St. Laurent: If this were new legislation we might be concerned about the possibility of its being construed as changing the title; but if the title was changed it was changed years ago by the previous statute. This is merely a repetition of what was in the previous statute. It is not new legislation. It was so drafted by the Department of Justice, which does, I think, endeavour to avoid in its drafting doing anything to which attention is not directed. May I send over to the hon. member the provision in the Ordnance and Admiralty Lands Act? This applies only to the lands mentioned in the schedule to the Ordnance and Admiralty Lands Act. It is the Ordnance and Admiralty Lands Act which was in force before the last revision of the statutes in 1927, and which, when it was originally adopted, might have been open to the objection the hon. member suggests; but that is something that was done I do not know how many years ago. This section merely restates what has been the effect of the other act.

Mr. Macdonnell (Greenwood): If the Prime Minister says, as I understand he does, Mr.

Chairman, that this point which I raise may have been perfectly relevant and proper and practical at the time the previous statute was enacted, then I want to ask this question. Is it not possible there may still be instances of land held for a term of years, which under this continuation as we now have it, and which I assume does replace the present act, may be changed? Is there any reason, if we made a mistake a considerable number of years ago, why we should perpetuate it?

Mr. St. Laurent: I am not conceding that there was any mistake made. This applies only to the lands that were described in the schedule to the previous act, and the previous act had the same language that is to be found here. If that is language which operates, it operated a great many years ago when the original statute was passed, and if it was something which could modify a title, the modification took place several years ago. There are no others than these with respect to which it did take place several years ago which can be affected by this new provision of the present bill. If the hon. member will just look at chapter 115 of the revised statutes he will find that, comparing the drafts of both, this does not and cannot do anything new.

Mr. Fleming: Do I correctly understand that the Prime Minister is saying that regardless of the nature of the title, whether in fee, for life, for years or otherwise, which was vested in the crown at the date of the coming into effect of the Ordnance and Admiralty Lands Act with respect to the lands in the schedule, the effect of that act was to vest in His Majesty in right of Canada an absolute title to these lands?

Mr. St. Laurent: No; my reading of it was that it merely vested in His Majesty the title that had been conveyed to His Majesty. Perhaps there might be grounds for another interpretation of the language that was used in the original Ordnance and Admiralty Lands Act. But if there was, that is past history. If it was something which could change a title, the change was made a very long time ago, and no change is being made at this time.

Mr. Fleming: With respect, it seems to me we are left in this dilemma, that if the effect of the Ordnance and Admiralty Lands Act with respect to these lands was to vest absolute title in His Majesty in right of Canada, then these succeeding words in the present section 7 are quite unnecessary. All that would be needed would be a declaratory statement that the lands in effect continue to be absolutely vested in His Majesty. The other horn of the dilemma is this, that if absolute title was not vested in His Majesty in right of Canada by the Ordnance and Admiralty Lands Act, then it would be only fair and proper that this section should not go any further, and that it should be followed by some such words as, "for all the right, title and interest of His Majesty therein and thereto."

Mr. St. Laurent: I do not think there can be any legal objection to adding as many words as you like to say that this does not give any greater title than existed in His Majesty at the date of the sanction of this act. If it is felt that such words should go in, it would not have any effect, in my view, but having no effect the additional words could not do any harm. If it will ease anyone's mind to have it stated that they are and continue absolutely vested in His Majesty for the purposes of Canada in the same manner and to the same extent as at the date of the passage of this act, then I can see no objection to putting in those words. I do not think that it is wise to add unnecessary words, but if hon. members feel they are desirable, there can be no objection to putting them in—because that is the purpose, merely to have these lands continue to be vested to the same extent that they are vested at the present time. Perhaps the words would be, "in the same manner and to the same extent as at the time of the coming into force of this act."

Mr. Macdonnell (Greenwood): If the Prime Minister will agree to that, I should be very glad to see those words introduced. I do suggest that the word "for" in the fifth line, before the word "otherwise", should not have crept in. Would the minister care to make that alteration?

Mr. Winters: I agree that the word "for" does not appear to be necessary in that section. If an amendment is required, perhaps the Prime Minister would be good enough to suggest it.

Mr. St. Laurent: Well, I would not care to suggest an amendment, but if the hon. member for Greenwood wishes to suggest an amendment along the lines I have indicated, there could be no objection to its being inserted. However, I should not like to appear on the record as having thought it was necessary to put that language in.

Mr. Macdonnell (Greenwood): I shall be very glad to move an amendment in the language used by the Prime Minister, which I shall have to get from *Hansard*.

Mr. Adamson: Why not let the section stand until the hon. member for Greenwood prepares his amendment?

Mr. St. Laurent: I would be pleased to move:

That the word "for" before the word "otherwise" in the fifth line of section 7 be deleted.

I believe that is just a misprint.

Mr. Browne (St. John's West): Is there any reason why the schedule is not added to the bill to show precisely what lands are intended?

Mr. St. Laurent: This is a reference to a schedule which forms part of an existing act. I do not think we can go to the extent of saying, "When we refer to the schedule we mean the schedule which is appended to chapter 115 of the Revised Statutes of Canada, and which is in the following form." We cannot be expected to rewrite into the annual statutes these schedules which are readily available and which form part of the existing legislation.

Mr. Browne (St. John's West): I have not heard anyone tell us what lands are mentioned in the schedule to which this bill would apply.

An hon. Member: Read it.

Mr. Browne (St. John's West): I have not seen it yet.

An hon. Member: Get it.

Mr. St. Laurent: Perhaps when the hon. member for Greenwood has finished with it he would be good enough to hand the copy of chapter 115 to the hon. member for St. John's West.

Amendment (Mr. St. Laurent) agreed to.

The Chairman: Shall the section as amended carry?

Mr. Fleming: The hon. member for Greenwood is preparing an amendment.

Mr. Macdonnell (Greenwood): This is my understanding of the language used by the Prime Minister. I move, seconded by the hon. member for Eglinton:

That section 7 be amended by adding thereto the following words:

"In the same manner and to the same extent as at the date of the coming into force of this act."

Mr. Browne (St. John's West): My understanding of this section of the Ordnance and Admiralty Lands Act is that it refers to all the lands. Why do we not say "all the lands"? That would make it clear.

Mr. St. Laurent: Because some of these lands have been alienated since. I should think parliament would not contemplate taking back lands from those to whom they have been granted since the original act was passed.

[Mr. Adamson.]

Amendment (Mr. Macdonnell, Greenwood) agreed to.

Section as amended agreed to.

On section 8—*Defence lands not to be sold.*

Mr. Adamson: Subsection 1 states:

Public lands that are declared by the governor in council to be necessary for the defence of Canada shall not be sold, alienated or otherwise disposed of but may be leased or otherwise used as the governor in council thinks best for the advantage of Canada.

I should like to ask two questions of the minister which arise in connection with specific pieces of defence lands which I know have been considered for sale. I do not mind mentioning them; they are the Long Branch rifle range, which is just outside Toronto, and situated at the present time on an extremely valuable piece of building property in a built-up area. Representations have been made by the municipal authorities to the Department of National Defence for the release of these lands for building or industrial sites. I understand also that the small arms factory in that location, as well as the military camp used during the war, and which is now a housing project, are also situated on defence lands.

What is the procedure under this act for disposing of those defence lands? The subsection says they shall not be sold or alienated. What happens? Does the governor in council on the advice of the Minister for National Defence declare such lands as not required for the defence of Canada?

Mr. Winters: That is right.

Mr. Adamson: And after that happens they come under and are sold pursuant to the machinery set up in section 4 (b) which was amended last night. Which minister sells them? What department finally sells those lands, if they are to be sold?

Mr. Winters: As my hon. friend will see by referring to section 4 (b), it will be the minister having the control, management and administration of the lands in question.

Mr. Adamson: If the Department of National Defence decided that these lands were not necessary, they would be declared not necessary under section 8, subsections 1 and 2, and the governor in council would then declare by order in council that they be not for the use of Canada and the Minister of National Defence would sell them. But no machinery is provided, no method is set out, as to how those lands shall be offered for sale, at least so far as I can see from reading the bill. It would be entirely up to the minister to decide how they would be offered for sale.

Mr. St. Laurent: I know that in practice they go to the War Assets Corporation, because yesterday I had to deal with some lands that were declared to be surplus to requirements in the city of Quebec. They were turned over to War Assets Corporation which is arranging for their disposal.

Mr. Adamson: Could the Prime Minister state how that was done? These lands are extremely valuable. Were they advertised, or how were they sold?

Mr. St. Laurent: For something approaching ninety-nine years these particular lands were under lease and the department has now declared them surplus to requirements. The War Assets Corporation is negotiating with the religious order which has had a school on these lands for the sale of the lands. In that case negotiations are being carried on to determine what is a fair price. I am not in a position to inform my hon. friend as to what are the usual proceedings.

Mr. Winters: A considerable amount of this land is held by the Department of Resources and Development and administered for the Department of National Defence or some other department. If the Department of National Defence decided that certain lands were no longer necessary to the defence of Canada, it would then be the responsibility of the Department of Resources and Development to dispose of the lands as it saw fit. In such cases, unless there was occupancy of the lands in question, it would advertise through the press for sale to the highest bidder.

Mr. Adamson: I think this particular parcel of land is at least two or three hundred acres in extent, and it represents some of the most valuable property in the vicinity of Toronto. If the department does decide to dispose of it, great care should be exercised, because if things are not properly planned and developed, serious congested conditions may result. I strongly urge that if this or similar lands are to be advertised, the experts of the Central Mortgage and Housing Corporation and of other authorities should co-operate. Care should be taken to see that restrictions are placed on the sale of the lands so that there may not be unplanned building on the property.

Mr. Winters: I can assure my hon. friend that the greatest care will be exercised.

Mr. Graydon: I should like to say just a word in connection with the matter raised by the hon. member for York West. As the minister perhaps knows, negotiations have been on foot for some considerable time in connection with the lands referred to by the hon. member, and the question of the advisability of the Department of National Defence getting some other location for these rifle ranges has been raised in the House of Commons. I think the Department of National Defence has pretty well decided that when it can get a proper alternative location, it will move from the presently congested area.

I only hope that that move will not be too long delayed. This piece of property has a considerable lakeshore frontage, and also fronts on the highway, but up to the present it has been a sort of blind spot in the development of the lakeshore area. The rifle ranges are no longer satisfactory to the military authorities because of the constantly increasing population of the area. I think the military authorities will agree that eventually some change will have to be made. All of us who come from that area are of the opinion that that change should not be held up any longer. Subject to the caution and the warnings which the hon. member for York West has sounded with respect to the method of disposal and the manner in which these lands shall find themselves under new ownership, the move should be made by the government as quickly as possible.

As the minister no doubt knows, in the metropolitan area of Toronto it is no longer a question of materials and labour; it is more a question of finding the right kind of land for building. I think this property is the right kind of land, and it will be sought after by builders generally as a preferred location. I hope there will be some expedition to this matter, because there is a great demand in that part of the country for the type of land which the Long Branch rifle range would provide. I should like to add my word to that of the hon. member for York West, who has so well placed the matter before the minister.

Mr. Winters: I am familiar with the deep concern of the hon. member for Peel in this problem. I have some knowledge of the difficulties in respect to the provision of new housing in Toronto, and I shall be glad to bring his representations to the attention of the Minister of National Defence.

Mr. McCusker: The hon. member for Peel speaks most convincingly since he joined the rump.

Mr. Hunter: According to subsection 1 of section 8, once lands are declared to be necessary for the defence of Canada I do not see how they could be disposed of other than by lease.

Mr. Winters: The wording of the section is that they shall not be sold, alienated or

otherwise disposed of, but may be leased or otherwise used as the governor in council thinks best for the advantage of Canada.

Mr. Hunter: Possibly I am not making my point clear. I suggest that once the lands have been declared necessary for the defence of Canada, under the wording of that subsection it would certainly be arguable whether they could ever be disposed of. In other words you could not alienate them once they had been declared essential for the defence of Canada, even though later they might be declared no longer necessary for that purpose. I am not pressing the point, but I think it is fairly clear that there could be an argument on the matter, so why let it go through when the point could be so easily clarified?

Mr. Stewart (Yorkton): Following what the hon. member has said, should you not add the words "subject to the provisions of section 4" which gives the governor in council power to declare a sale?

Mr. Hunter: Or add something like "provided, however, that upon being declared no longer necessary for the defence of Canada the property may be alienated," or something to that effect.

Mr. Winters: I think it is clear that if they were declared no longer necessary for the defence of Canada they would come under section 4, in which event the governor in council could make regulations with respect to their disposal.

Mr. Hunter: I am not going to press the point, but I think you are leaving room for argument.

Section agreed to.

Sections 9 to 11 inclusive agreed to.

On section 12—*Repeal.*

Mr. Browne (St. John's West): I see that by this section the Ordnance and Admiralty Lands Act is repealed. Would it not be advisable to have the schedule to that act attached to this measure, so that anyone desiring to look up the schedule would not have to go to an act that has been repealed? Since the Prime Minister has stated that some of the lands have been disposed of in the intervening years, I presume that schedule would be somewhat out of date; but I think it would be better to have the two things together. The government are revising the statutes again at the present time, so I should think this suggestion might be of some help to them.

Mr. Winters: The schedule to which my hon. friend refers is out of date now, of course, and is being changed constantly. I believe the terms of this act get us away from the need for a schedule, and in my opinion we might be better off without a schedule attached to this act.

Section agreed to.

On the title.

Mr. Herridge: I should like to bring something to the attention of the minister, and ask a question. Many years ago a gentleman came to my district from the old country, purchased some land and settled there. Later he returned to England, and willed this parcel of land to the dominion government. That was a good many years ago, but I understand nothing has been done about it; I do not think the dominion government has even secured title. It is a small parcel of timbered land, but it could be used by present or incoming settlers. They are unable to purchase it, however, or get possession of it in any way. I should like to know why a small matter like this should have been delayed for so many years and not cleared up so that some Canadian citizen might make use of that land and timber.

Mr. Winters: I should think that would be a matter of probate. That problem would not come within the scope of this legislation.

Title agreed to.

Bill reported, read the third time and passed.

TERRITORIAL LANDS ACT

REVISION AND REPEAL OF DOMINION LANDS ACT —PROVISIONS RESPECTING SALE OR LEASE, ETC.

Hon. Robert H. Winters (Minister of Resources and Development) moved the second reading of Bill No. 81, respecting crown lands in the Yukon Territory and the Northwest Territories.

Mr. Macdonnell (Greenwood): Could we have an explanation, please?

Mr. Winters: The purpose of this bill is to revise the Dominion Lands Act and bring it up to date under the name of the Territorial Lands Act. In the process of this revision all outdated and unnecessary provisions have been dropped. The Dominion Lands Act, originally enacted in 1872, was designed to assist in the proper and orderly development of the west and to provide appropriate regulations in connection with homesteading, the use of patents, and related matters. After the transfer of natural resources to the prairie provinces in 1930, however, the application of the Dominion Lands Act was restricted to the Northwest Territories and the Yukon Territory.

The act as it stands does not suit conditions prevailing at the present time in the territories. It is considered desirable, therefore, to place in one measure all the powers of the Department of Resources and Development necessary for dealing with crown lands under its administration in the Northwest Territories and Yukon Territory except, of course, lands under the Indian Act and lands in the national parks.

Since no homestead entry was ever permitted in the Northwest Territories, and since the practice of allowing homestead entry in Yukon Territory was discontinued some years ago, the sections of the act dealing with homesteading are now obsolete. Other portions of this legislation which have also become obsolete relate to school lands and Hudson's Bay land, provisions which applied only to the provinces. Provisions relating to the holding of public competitions for the right to cut timber in berths were discontinued many years ago; the practice at present is to issue a permit and to charge dues for the timber cut.

The proposed new act will apply to all lands in the Northwest Territories and Yukon Territory under the control of the Department of Resources and Development, but will not in any way limit the operation of the Yukon Placer Mining Act, the Yukon Quartz Mining Act, the Dominion Water Power Act, or the National Parks Act. There is only part of one national park in the Northwest Territories, namely Wood Buffalo park.

In addition to repealing the Dominion Lands Act this bill also repeals the Irrigation Act and Reclamation Act. The Irrigation Act is now in force only in the district of Keewatin, where it has no practical application. The Reclamation Act applies only to vacant dominion land in the provinces of Alberta and Saskatchewan; since the transfer to these provinces of all vacant dominion land, it has no practical application.

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

Sections 1 to 4 inclusive agreed to.

On section 5—*No sale of lands suitable for muskrat farming.*

Mr. Macdonnell (Greenwood): Will the minister explain the reason for this provision?

Mr. Winters: For which part of section 5?

Mr. Macdonnell (Greenwood): Subsection 1.

Mr. Winters: Previously there was no provision in the act giving any protection to land which lent itself to muskrat farming. There is, of course, a need to protect our fur-bearing animals in the north country, muskrats in particular. This provision guards against the sale of the land so that it will be available for people who depend on muskrats to sustain themselves in the north country.

Mr. Macdonnell (Greenwood): There are two questions which arise in my mind. It is quite easy to determine what lands are suitable and what are not. Is that the general practice? Is it a well-considered policy that none of these lands should be sold, and that muskrat operations must be carried on on leased land?

Mr. Winters: That is regarded as the best practice, Mr. Chairman. I understand that certain provinces, the province of Manitoba in particular, have decided also that that is the best practice and have made provision accordingly.

Mr. Macdonnell (Greenwood): I notice in looking ahead to section 8 that a discretion is reserved to the governor in council, but in this section there is an absolute prohibition which ties the hands of the authorities. There is no option, and I wondered if that was intended?

Mr. Winters: Large areas are involved, Mr. Chairman, and the land is usually swampy. It is felt that, having regard to the size and nature of the land, the question of sale is not an important one. The department has felt that, in the best interests of all concerned, it should make a provision against the sale of this land.

Section agreed to.

On section 6—*Limitation on sale.*

Mr. Macdonnell (Greenwood): Again I want to ask why there is such a strong feeling against selling more than 160 acres. I see there is a power reserved to the governor in council, but nevertheless the policy is evidently against the sale of the land.

Mr. Murray (Cariboo): May I ask the minister if he proposes to encourage a certain amount of settlement in the Yukon Territory? The territory of Alaska is shortly to be admitted as the forty-ninth state of the union. It is many hundreds of miles further north than Whitehorse and these settled areas of the Yukon, but thousands of settlers are moving into the fertile valleys of Alaska and developing agriculture there. I think the Canadian government ought to encourage settlement in these valleys in which there is fertile land, and where it has been proven that people can grow food and establish homes. I disagree with this clause that the land must be surveyed first. In the province

of British Columbia it is possible for settlers to go ahead of the survey, and then make application to purchase or homestead the land. It should be possible to bring this legislation into line with the policy in British Columbia.

In so far as the defence of the country is concerned, it is in the interest of Canada to get as large a population as possible in northern British Columbia and the Yukon, especially in the territory contiguous to the Alaska highway.

Mr. Winters: In answer to both questions, Mr. Chairman, I should say that the former act said that parcels of land up to 640 acres could be disposed of without reference to the governor in council. That has been reduced to 160 acres, in order to ensure that a proper amount of land will be available for people who wish to develop the north country. I would say that it is definitely the policy of the government to encourage people to go into the north country and develop that vast and rich area.

Section agreed to.

On section 7—*Leasing of mining rights.*

Mr. Adamson: Apparently the department is following the practice of the prairie provinces, in that the mineral rights are separate from the agricultural and surface rights. I should like to ask the minister why he decided upon that policy? I should like to explain to him that if ore is discovered in that area and a mine is developed, the surface rights are almost completely subjected to the mining operation. The mining operation really requires all the surface that it has. I want to know how the minister expects anyone to prospect in that area if the surface rights are separate from the mineral rights.

In so far as oil is concerned, it is quite a different thing. You dig a hole in the ground, but even so it upsets the surface rights to a considerable degree. In developing a mine you have the question of disposing of the refuse, you have houses and many other things which almost certainly preclude the use of the surface of the land for anything else but mining.

Mr. Murray (Cariboo): In regard to oil I think the law ought to be made as generous as possible to encourage people to prospect for oil. I have been informed that at Norman Wells in the Northwest Territories there are approximately 31 million barrels of oil in reserve. There are 62 wells which have been capped, and one well is now being used to supply a small refinery. This oil field is merely a continuation of the field at Leduc, and simply because it happens to be just on the other side of the Yukon border or the Northwest Territories border is no reason why any reservations should be placed upon it. It should be made available to those who search for oil.

At the moment a pipe line is in existence in the Yukon Territory. We have heard a lot of chaff about pipe lines in this house, but the only pipe line of any consequence in this country is the one running from Skagway to Whitehorse and 500 miles north to Fairbanks, Alaska. It is not an all-Canadian route because it begins in Skagway, continues into Canada, and then goes on to Fairbanks, Alaska. The oil resources of the Northwest Territories are likely to exceed those of the province of Alberta, and the world should be invited to come in to search for and develop this valuable resource. Again this looms large in the defence of our country. We are all familiar with the fact that this very field which I mentioned was drawn upon during the war to supply the American refinery at Whitehorse, and the United States navy in the Pacific, at a time when the Japanese were in the Aleutians. One refinery has been dismantled and sent to the Leduc field, but the oil wells are there and can be called upon at any time in the defence of this continent. I say that prospectors for oil, oil companies, pipe line companies and so on should be encouraged to pay attention to the Northwest Territories.

Mr. Winters: In reply to the first question, may I say it has been the practice of the government since 1889, when the first regulations were made, to have the mineral rights and surface rights separate. What my hon. friend said, of course, is true. On the other hand, considering the manner in which the north country is being developed now, it is the mineral rights that are really important, and the surface rights are secondary.

Mr. Adamson: Actually, as to the McIntyre mine, one or two of the original claims were known as the Platt Vet claims, granted to veterans of the South African war.

Section agreed to.

On section 8—*Reservation of strip of land to crown.*

Mr. Macdonnell (Greenwood): Section 8 begins by saying:

> Unless the grant contains a provision to the contrary, a strip of land one hundred feet in width—

And so on. If the provision of the reservation of one hundred feet is one considered to be highly desirable, as I imagine it is, then I raise this question. Who has the right to derogate from that provision? That seems to

be wide open. In another case we have, I think, a reference to the governor in council. Yes, in section 6:

Not more than one hundred and sixty acres of territorial lands may be sold to any one person without the approval of the governor in council.

But here it seems to be wide open. Who can disregard the provisions of the section?

Mr. Winters: The section starts by saying, "unless the grant contains a provision to the contrary"; the grant would be authorized by order in council and may well contain a provision to the contrary.

Mr. Macdonnell (Greenwood): Would all those grants be authorized by order in council?

Mr. Winters: There will be some.

Mr. Macdonnell (Greenwood): Perhaps I was under a misapprehension. May I explain to the minister that I was assuming that these were transactions carried on perhaps in a routine manner and perhaps by local officials. If I am wrong about that, maybe my question falls to the ground. But if I am not, does it mean that the local official has a right to put in a provision to the contrary? If so, may that not defeat the provision in ways that are not intended?

Mr. Winters: As my hon. friend has said, by reference to a previous section, if the area of land concerned is greater than a certain amount—and the reference he made was to one hundred and sixty acres—there must be a reference to the governor in council. If the area is smaller than that, it is a matter of regulation and in many instances can be done in a routine way. If there is to be some deviation, then it must be by regulation and must be referred to Ottawa for approval.

Mr. Macdonnell (Greenwood): Am I right in thinking that one or two exceptions, let us say along a waterway of some importance, might be extremely serious to the whole result? I mean, if one or two people went right down to the water's edge, they might defeat the whole aim of this legislation, might they not? Again I question whether this section is not too wide open.

Mr. Winters: No, I do not think so. That would only happen with the approval of the appropriate authorities at Ottawa.

Mr. Browne (St. John's West): I think by section 4 the minister will be given authority by the governor in council to sell these lands, because the grant refers to a sale only. I do not know what the practice is in other provinces, but perhaps the minister may know. It is not generally provided, even though you have not a navigable river—because with falls and so on it may not be navigable—and is it not desirable that the crown should reserve the right to a strip of one hundred feet from the centre line of the river and so on? I am sure the minister is familiar with that provision. Do you think that is desirable?

Mr. Winters: Yes, I think that is desirable. Moreover, there is a section later which again has reference to something of the nature of what my hon. friend has in mind.

Mr. Macdonnell (Greenwood): I come back to this, Mr. Chairman. I do not want to be too persistent, but I think there is a real point here; and it seems to me that it could be easily remedied. The provision for approval by order in council applies only to sales in excess of one hundred and sixty acres. Then let us suppose that, just by inadvertence, some sales of less than one hundred and sixty acres are made without this reservation. Then, it seems to me, real difficulty might be caused. What would be the objection—because, as I understand the minister, it is in accordance with the practice which will probably be followed—to saying "unless the grant contains a provision to the contrary evidenced by order in council." That, it seems to me, would avoid any difficulty. I do not want to suggest something that is not practical, but it does seem to me that you are opening the door here in a way you may regret.

Mr. Winters: While I do not think it is necessary—of course, I can give the hon. member the assurance that there will be the greatest control over this—I would have no objection to adopting the words he suggests. If he would care to make an amendment to that effect, I should be happy to accept it.

Mr. Macdonnell (Greenwood): Then I will move, seconded by the hon. member for St. John's West, the following amendment. I am not sure that these words are the best, but for want of something better, I will say: "Unless the grant contains a provision to the contrary"—then I think there should be a bracket—"(which shall be evidenced by order in council)". That would seem to me to cover the matter. Shall I write it out?

The Chairman: It would be better to have it in writing.

Mr. Macdonnell (Greenwood): Very well; I will write it out. I will now bring it to you, Mr. Chairman, myself because I may have to interpret some of my writing to you.

The Chairman: Mr. Macdonnell (Greenwood) moves an amendment to section 8 as follows:

That the words "evidenced by order in council" be inserted after the end of line one.

Shall the amendment carry?

Mr. Winters: I wonder if it would not be a little bit simpler as to wording and have the same effect if line one were deleted altogether and were replaced by the following words: "Unless otherwise ordered by the governor in council"?

Mr. Macdonnell (Greenwood): I agree. That is much better.

Mr. Fournier (Hull): I so move.

The Chairman: Mr. Fournier (Hull) moves that the first line of section 8 be deleted and the following substituted therefor: "Unless otherwise ordered by the governor in council". Shall the amendment carry?

Amendment agreed to.

Section as amended agreed to.

On section 9—*Reservation of bed of body of water.*

Mr. Herridge: Section 9 reads as follows:

> Unless the grant contains a provision to the contrary, the bed, below ordinary high water mark, of a body of water shall be deemed to be reserved to the crown out of every grant of territorial lands where the lands border a body of water.

Does the minister not think that wording is somewhat ambiguous? It does not describe the area of the body of water; and according to the section, as I read it, it could include a small body of water say within even a quarter of a section, which is not the usual practice in the granting of a title. Will the minister explain that section?

Mr. Winters: I think it is the practice, Mr. Chairman, with people who have a body of water, no matter how small.

Mr. Herridge: It is a most unusual procedure in the granting of title to land. Many farmers have 10 acres of land with a small pond upon it, possibly an acre in area, or they may have a quarter section with 20 acres or 5 acres of water on it. This is a most unusual section to apply, if it is to apply to all bodies of water regardless of size.

Mr. Winters: If the area of water is large enough to be shown on the township plan or the surveyor's plan then it is reserved under this section.

Mr. Herridge: Will the minister say what size a body of water has to be to be shown on the township plan?

Mr. Winters: The size may vary, as my hon. friend knows; but there is a great deal of water on almost all land in the Northwest Territories, and it is intended to reserve to the crown the rights of that water.

[The Chairman.]

Mr. Murray (Cariboo): Does the minister mean to say that that applies to placer mining lands? Must the owner stop at the edge of the stream?

Mr. Adamson: Very important to use the water.

Mr. Murray (Cariboo): Yes, or the water may come under some other legislation. The hon. member for the Yukon has just told me that in the Yukon Territory alone, since the discovery of gold there, they have produced $220,000,434 worth of gold. Up until the end of 1949, 9,941,000 ounces of gold have been taken out of the Yukon, and they are taking it out now at the rate of many millions of dollars a year. It should be interesting to this committee to know that if there ever was a field for young men to go to, to get rich, the Yukon still offers that great opportunity. I would not like to see any legislation pass which would limit mining operations in any way, or hamper men who go in to stake property in good faith, and who desire to carry on with the placer mining of gold.

Mr. Graydon: Can they make any money at present prices?

Mr. Winters: Under this act the governor in council may make regulations which give rights to use that water for placer mining operations. There is an act called the Yukon Placer Mining Act which contains similar provisions.

Mr. Herridge: In accordance with the practice established for the seat in which I have been sitting this afternoon, I want to rise on a point of order. We have been using the word "carried" too frequently. I want to ask the minister another question with respect to the small body of water. I am much interested in this point. According to this section the water belongs to the Dominion of Canada, and I presume the land under the water also. Therefore, the public, the people of Canada, have a right to go on that property. How are you going to provide legal access to a publicly owned body of water surrounded by privately owned land?

An hon. Member: An airplane.

Mr. Winters: It would boil down to what is written in the grant. If the water is of sufficient size to be referred to in the grant as being exempted, then it would be exempted, and I have no doubt the proper words would be put into the grant to reserve, or grant the right of access to it.

Section agreed to.

On section 10—*Mines and minerals reserved.*

Mr. Macdonnell (Greenwood): I should like to ask a question with regard to paragraph (b). It reads:

There shall be deemed to be reserved to the crown out of every grant of territorial lands

(b) all rights of fishery and fishing and occupation in connection therewith upon or around or adjacent to such lands.

Does that apply in the case of a small settler who buys a small amount of land which actually abuts on some fishing ground? To what extent is he limited from using his own lands? Is he committing a trespass if he fishes off his own land, or is it only to be permitted—

Mr. Winters: In some circumstances he might be committing a trespass, but in actual practice, he would certainly be permitted to fish the waters in question, if that would in no way interfere with the right of the crown to the fisheries in those waters.

Mr. Macdonnell (Greenwood): Suppose the crown grants fishing rights in the whole body of water. That cuts him off entirely, does it?

Mr. Winters: I did not quite catch that.

Mr. Macdonnell (Greenwood): The minister said that as a matter of practice—and I would think he is quite right—notwithstanding the wording of this section, they would put their blind eye to the telescope, so to speak, in respect of any man fishing from his own ground. Would that still be true if in fact rights of fishing in the whole body of water were granted to some third party?

Mr. Murray (Cariboo): Are there not great commercial fisheries in both the Yukon and Northwest Territories? Naturally they have to be brought under some sort of control. I am told that the establishment of the fish trade on some of these great lakes is of very great importance and is part of the commerce of that country. For instance, from Teslin lake, Kluane lake, and Great Slave lake and on down in the Mackenzie valley they are shipping fish to Chicago and elsewhere by aircraft.

Mr. Winters: In reply to that question I would say that this applies only where there has been a grant of territorial land. There are of course large commercial fisheries in the north.

Section agreed to.

On section 11—*Grant does not convey water rights.*

Mr. Browne (St. John's West): Does the minister not think that clause 11 is very poorly drafted? It says:

Unless the grant or other document establishing a grant, lease or other disposition of territorial lands expressly states the contrary, no grant, lease or other disposition of territorial lands shall convey . . .

Does the minister not think that this is unusually clumsy and could be improved?

Mr. Winters: As a matter of fact, it has already been reworded to improve it.

Section agreed to.

Section 12 agreed to.

On section 13—*Timber regulations.*

Mr. Macdonnell (Greenwood): Are these regulations common? Do they follow practices in other parts of the country pretty well, or is there anything special in regard to them to which our attention may be drawn?

Mr. Winters: To all intents and purposes, Mr. Chairman, they follow the common practice, and are a matter of provincial regulations where the provinces are concerned.

Section agreed to.

Sections 14, 15 and 16 agreed to.

On section 17—*Appeal.*

Mr. Bater: Probably I am a little late in asking this question. Suppose someone should settle on some of this land with the intention of purchasing it after it is surveyed. Does he get a prior right to purchase? Does the squatter or settler get a prior right to purchase?

Mr. Winters: The governor in council has the right to make regulations with respect to the disposal of land. The chances are that if the man who was on the site in occupation is a desirable sort of person he will have a prior right to it, but there is no guarantee of that, of course. It depends on the circumstances.

Section agreed to.

On section 18—*Powers of governor in council.*

Mr. Winters: There is no reference in section 18(f) to any authority for the laying of pipe lines through the area in question. Since I have heard it said in the house that it is highly desirable to make it possible to

lay pipe lines through any area in Canada, I would suggest an alteration so that section 18(f) would read as follows:

Authorize the acquisition by any railway, power company or pipe line company, upon and subject to such terms and conditions as may be deemed proper, of a right-of-way for a road bed, for transmission lines or for pipe lines through territorial lands together with such other territorial lands as may be deemed necessary for stations, station grounds, workshops, buildings, yards, pumps, tanks, reservoirs or other appurtenances in connection therewith.

I would ask my colleague the Minister of Veterans Affairs to move the amendment.

Mr. Graydon: The Minister of Trade and Commerce.

Mr. Gregg: I move:

That paragraph (f) of section 18 be deleted and the following substituted therefor:

"(f) Authorize the acquisition by any railway, power company or pipe line company, upon and subject to such terms and conditions as may be deemed proper, of a right-of-way for a road bed, for transmission lines or for pipe lines through territorial lands together with such other territorial lands as may be deemed necessary for stations, station grounds, workshops, buildings, yards, pumps, tanks, reservoirs or other appurtenances in connection therewith.

Mr. Graydon: Did the minister discuss this with Mr. Howe, before it was brought in?

Mr. Murray (Cariboo): This is an excellent opportunity to decide whether it is to be an all-Canadian route, and to see how sincere certain hon. members in this committee are in connection with it.

The Chairman: I think the hon. member is out of order.

Mr. Murray (Cariboo): I do not think it is out of order.

Mr. Graydon: That means you sit down.

Mr. Murray (Cariboo): In all seriousness—

The Chairman: The hon. member may be serious, but I think this is not the proper time for that discussion.

Mr. Murray (Cariboo): I think it should be asked.

The Chairman: Shall the amendment carry?

Mr. Macdonnell (Greenwood): This paragraph refers to the authorization of acquisition. Is it necessary to have any reference to building? I suppose that is covered, is it? My thought is that the wording refers only to something in existence, and not to the building of it. How would the section read as amended?

Mr. Winters: There would be only a few changes. It would read:

Authorize the acquisition by any railway, power company or pipe line company, upon and subject to such terms and conditions as may be deemed proper, of a right-of-way for a road bed, for transmission lines, or for pipe lines through territorial lands together with such other territorial lands as may be deemed necessary for stations, station grounds, workshops, buildings, yards, pumps, tanks, reservoirs or other appurtenances or works in connection therewith.

Mr. Macdonnell (Greenwood): That seems all right.

Amendment agreed to.

Section as amended agreed to.

Sections 19 to 24 inclusive agreed to.

On section 25—*Amendment to the Dominion Water Power Act.*

Mr. Winters: Just to be consistent I should like to suggest a change in section 25 so as to make it agree with the definition of "public lands" in the bill we have just passed, respecting grants of public lands. I would ask my colleague to offer this amendment.

Mr. Gregg: I move:

That for clause (a) of section 25 the following be substituted:

"(a) Paragraph (b) of section 2 of the said act is repealed and the following substituted therefor:

'Public lands'

(b) " 'Public lands' means lands belonging to His Majesty in right of Canada and includes lands of which the government of Canada has power to dispose."

Mr. Adamson: I suppose this covers the water power development at Yellowknife, does it?

Mr. Winters: Another bill will be introduced later today to amend the Northwest Territories Power Commission Act to make the services of that commission available to the Yukon. That will be dealt with later today.

Mr. Browne (St. John's West): Where is it proposed to put that definition?

Mr. Winters: In section 25.

Mr. Browne (St. John's West): Why not have it in the definition section?

Mr. Winters: This constitutes an amendment to the Dominion Water Power Act.

Mr. Browne (St. John's West): I see; this is an inset within the section?

Mr. Winters: Yes.

Amendment agreed to.

Section as amended agreed to.

Section 26 agreed to.

Bill reported, read the third time and passed.

NORTHWEST TERRITORIES

POWER COMMISSION—EXTENSION OF ACT OF 1947-48 TO YUKON TERRITORY

Hon. Robert H. Winters (Minister of Resources and Development) moved the second reading of Bill No. 90, to amend the Northwest Territories Power Commission Act.

Some hon. Members: Explain.

Mr. George Prudham (Parliamentary Assistant to the Minister of Resources and Development): Mr. Speaker, the purpose of this bill is to extend the provision of the Northwest Territories Power Commission Act to the Yukon Territory. The Northwest Territories power commission was established by statute in 1948 to construct and operate power plants in the Northwest Territories.

The commission has since October, 1948, operated on a self-sustaining basis a hydroelectric power development on the Snare river 94 miles northwest of Yellowknife, and now supplies power to gold mines at Yellowknife and to the Yellowknife Power Company Limited for distribution in the town of Yellowknife. Power is supplied at a cost calculated to meet operation and maintenance costs and interest charges on capital investment, and to amortize the capital cost over a period of twenty years.

At the present time the commission is constructing and will have in operation during the present year a plant to provide diesel-generated electric power at Fort Smith in the Northwest Territories, which will supply electric power on a financially self-sustaining basis to the town of Fort Smith and to the various federal government establishments located there. A similar plant will be constructed at Hay River in the Northwest Territories, and it is expected that it too will be in operation before the end of the present year.

From the earliest days of settlement in the Yukon, mining has been a vitally important industrial activity of the territory. It remains so today. As this industry grows, the need for electric power will increase. On the other hand, the availability of power would encourage and stimulate the mining industry. Both the extraction and processing of ore would be made easier and more economical.

The Northwest Territories power commission is functioning efficiently and it is considered inadvisable to establish another authority to supervise and administer any proposed development and distribution of electric power in the neighbouring territory.

The whole purpose of this bill, therefore, is to extend the application of the Northwest Territories Power Commission Act to Yukon Territory, and thus enable the commission, whose operations in the Northwest Territories have been of considerable value toward the development of the mining industry in that part of Canada, to render a similar service in the Yukon.

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

On section 1—*Powers.*

Mr. Macdonnell (Greenwood): We have had a general statement from the parliamentary assistant, but can he tell us if there is some special project in mind which makes this bill especially necessary at the moment?

Mr. Prudham: This is merely legislation to enable the power commission of the Northwest Territories to extend their operations to the Yukon. It is intended to cover all developments for the use of mining properties. During 1949 surveys and investigations were carried out by the government to determine the feasibility of hydroelectric power development on the Mayo river in the vicinity of one of the larger mines.

Mr. Macdonnell (Greenwood): The parliamentary assistant stopped just when he was beginning to be interesting. Could he tell us a little more as to what use is to be made of these investigations?

Mr. Murray (Cariboo): Has the minister received applications for power from any new industry, such as the aluminum industry?

Mr. Prudham: No application has been received from the Aluminum Company. The United Keno Hill mines I believe are interested in obtaining power from any development that may take place.

Mr. Adamson: Could the parliamentary assistant give us the cost per horsepower year or per kilowatt year for power from the Snare river plant for delivery to Yellowknife? Also the maximum horsepower available from the Snare river plant, and the extent of the present development? Also the method of contracting with the mines, whether the life-of-mine contract or the sliding-scale contract in force in Ontario is used.

Mr. Prudham: The contracts with the mines are for twenty years. The cost is $100 per horsepower year which works out to about 1·53 cents per kilowatt hour.

Mr. Adamson: I know the original intention was to have a development of 5,000 horsepower. Is that all being used and is it the intention to instal extra generators? What is the maximum possible development at Snare river?

Northwest Territories

Mr. Prudham: The installed capacity of the Snare river plant is 8,350 horsepower and they are now using about 4,500 horsepower.

Mr. Adamson: What is the total estimated development at that site?

Mr. Prudham: The total possible development on the Snare river is 27,600 horsepower.

Mr. Macdonnell (Greenwood): Could we have the same information with regard to the Mayo river project that has been given to the hon. member for York West? I imagine that there are no security reasons which would justify holding back this information.

Mr. Prudham: The location chosen for the power plant on the Mayo river has a possibility of developing 8,000 horsepower and the original installation would be for a capacity of 3,000 horsepower. The estimated cost of developing that 3,000 horsepower is about $3 million.

Mr. Browne (St. John's West): Where is the diesel power plant referred to by the minister to be located and how far has that been developed?

Mr. Prudham: There are two plants, one at Fort Smith and the other at Hay River. The first is well under construction and their completion is expected this year.

Mr. Browne (St. John's West): What is the capacity of the plant?

Mr. Prudham: 350 horsepower each.

Mr. Adamson: What is the estimated cost?

Mr. Prudham: At Fort Smith it will be $125,000 and at Hay River approximately $150,000.

Mr. Adamson: I was rather interested in the figure of 1·53 cents per kilowatt at Yellowknife because I rather think that is cheaper than the power being supplied in the United Kingdom by the socialized coal industry. It is rather interesting that power can be supplied so cheaply in these extremely out of the way places.

Mr. Prudham: The present cost of diesel power in the Yukon is approximately 6·8 cents per kilowatt hour and it is estimated that the new hydro project, if and when installed, will provide power at 2 cents per kilowatt.

Mr. Macdonnell (Greenwood): Do I understand that the full anticipated production at the Mayo river plant is only 8,000 horsepower as compared with 27,000 horsepower in the other case?

Mr. Prudham: That is the proposed Mayo river canyon development. No doubt there are other sites, but that is the one that has been surveyed.

[Mr. Adamson.]

Mr. Macdonnell (Greenwood): How far has the project gone? Is there anything definite beyond the government having made surveys? Is it proposed to construct it as a public work, or are there private individuals who are ready to undertake it?

Mr. Prudham: The present proposal is that it will be carried on as a public works enterprise; in other words, by the government. There has been no decision yet as to whether it will be undertaken by the government.

Mr. Macdonnell (Greenwood): I am not criticizing that; I am just interested in the considerations involved. For instance, I am not familiar with the Snare river plant. How was that done?

Mr. Prudham: The Snare river plant is a government operated enterprise under the Northwest Territories Power Commission Act, and we are now asking for power, under the proposed amendment, to do likewise in the Yukon Territory.

Section agreed to.

On section 2—*Commission to investigate supply of power in Northwest Territories and Yukon Territory.*

Mr. Macdonnell (Greenwood): When the parliamentary assistant said they were now asking for power, did he mean in this bill?

Mr. Prudham: Yes.

Section agreed to.
Title agreed to.

Bill reported, read the third time and passed.

PRECIOUS METALS MARKING ACT

EXTENSION OF APPLICATION TO ARTICLES OF PALLADIUM

Hon. Alphonse Fournier (for the Minister of Trade and Commerce) moved the second reading of Bill No. 83, to amend the Precious Metals Marking Act, 1946.

Mr. Browne (St. John's West): Explain.

Mr. G. J. McIlraith (Parliamentary Assistant to the Minister of Trade and Commerce): Mr. Speaker, in 1906 the Gold and Silver Stamping Act was passed to provide for the accurate stamping of articles made of these metals. This became known as the Gold and Silver Marking Act in 1913, and in order to include platinum, which was becoming increasingly important in jewelry production, the act was amended in 1928 to include this metal, and became the Precious Metals Marking Act. Various amendments were made in

later years, and in 1946 those amendments were consolidated and the act generally revised.

Briefly, the purpose of the act is to provide that when articles composed of, or plated with, gold, silver or platinum are marked, such markings shall indicate the actual quality of the metal content. Licences are issued by the Department of Trade and Commerce to manufacturers to permit the use of the national mark on articles made of gold or silver and wholly of Canadian manufacture.

The Department of Trade and Commerce maintains a constant check on applied quality marks, and makes tests to ascertain the fineness of precious metals in articles. As a result, the illegal description of articles manufactured of gold, silver and platinum has practically disappeared. The group of metals classed as precious include gold, silver, platinum, palladium, ruthenium, rhodium, osmium and iridium. Until recently only gold, silver and platinum were used commercially to any extent. Palladium is a white metallic element of the platinum group. It is produced in Canada, and is a by-product of nickel refining. The by-products from such refining contain metals of the platinum family in a manner in which further refining is necessary.

In its pure state palladium is malleable and ductile, and is slightly harder than either gold or platinum. It can be hardened for jewelry manufacture by the addition of small amounts of other metal, usually ruthenium. This produces an all-platinum metal alloy that is resistible to wear, has the strength and toughness to retain gems permanently, is highly resistant to tarnish, and will retain a brilliant polish. Recently the jewelry industry has started the manufacture of articles composed of palladium. As it is the view of the industry that the use of this metal will likely increase as time goes on, it is desirable that it be brought within the provisions of the Precious Metals Marking Act, and that is the purpose of the present bill.

Mr. Rodney Adamson (York West): Before you leave the chair, Mr. Speaker, I want to make one or two brief general observations on the Precious Metals Marking Act. I did so when the act was under consideration in 1946, and the minister then piloting the bill through the house said he would give consideration to my suggestions.

The principle is very good, and there can be no objection whatever to having articles of jewelry, particularly, stamped with the fineness of the precious metal used in making the object. However, I believe a strong case could be made for the adoption of a Canadian hall-mark. This act, in common with the 1946 act, merely states that the fineness of the metal shall be stamped on a piece of jewelry, for instance. It does not provide that the jewelry shall be stamped with the date, the country of origin, or anything else. The English hall-mark, and some of the continental hall-marks, though not to the same extent, are extremely valuable and useful methods of marking articles made of precious metals, particularly gold and silver. As the age of the object increases, so does its value. These hall-marks enable those concerned to ascertain where the article was made, when it was made, and other pertinent facts concerning it, whereas under our system we merely designate the type of metal and the fineness.

I mention this point for the reason that in Canada today the goldsmithing and silversmithing industry is increasing rapidly, and a great deal of the very finest jewelry as well as flatware, silver, cutlery, and other things are now made in this country. In order to encourage this industry, and in order to show the rest of the world that we in Canada do produce high quality articles of great artistry, I believe a Canadian hall-mark should be devised which would not only show the fineness of the metal but also the year of manufacture and the fact that it was made in Canada. I feel that by including these markings on precious metals we would be aiding our craftsmen and our precious metals industry. We would also be advertising throughout the world the fact that we in Canada had a goldsmiths' and silversmiths' industry of which we were proud.

I mention that because the International Nickel Company, which advertises all over the world, is now making a special advertising drive in some of the quality papers of the United States concerning the use of this metal palladium. It is said to be one of the most useful metals for the setting of jewels. I think it would be of assistance if metals such as palladium were marked as being of Canadian origin by having a "C", or some other insignia, stamped upon it. I suggest that to the parliamentary assistant as a means of encouraging our own industry, and advertising our own craftsmen.

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

On section 1—*Palladium.*

Mr. Green: Mr. Chairman, is this amendment being made at the request of the jewelers' association?

Mr. McIlraith: That is correct.

Mr. Green: Is there only the one new metal, that is palladium? Has consideration been given to including any other metals?

Mr. McIlraith: There is only the one new metal being used commercially in the manufacture of jewelry. The use of it has only recently started. This new metal is a little harder than platinum, and has been used heretofore in the mounts for holding gems. It is now being used in the articles themselves. No other metal, apart from those mentioned in this act, is in that position. None of the other metals I have mentioned are being used in jewelry manufacture.

Mr. Green: There is one other question with regard to this section. I notice in clause 2 that a plated article is being made to apply only to articles which are plated with gold and silver. Formerly it also applied to articles plated with platinum. Why is that change being made?

Mr. McIlraith: The reason for that change is that there is no such technique as platinum plating in use. There is just gold and silver plating in use.

Mr. Green: The original act contained an error?

Mr. McIlraith: Yes.

Mr. Murray (Cariboo): I hope this measure will assist in creating a market for sterling silver in Canada. It would be a great thing for the silver mines of British Columbia. If one reads the magazines and newspapers one finds that articles which are merely silver plated are described as being of silver. Even in the parliamentary restaurant, we have articles placed before us which are merely silver plated. Silver is not so precious that we could not have sterling silver in every household in Canada. The use of Canadian-mined silver should be encouraged. Anything that disguises, debases or misrepresents either gold or silver is a severe blow to the mining industry of this country, and to the miners who are engaged in that industry. Reference has been made to the Keno Hill mine which is producing thousands of dollars' worth of silver per day. Probably most of that silver goes to Belgium and the United States, although some of it remains in Canada. I believe very little of it goes into the manufacture of that splendid ware called sterling silver which, as I say, should be prominent in all homes in Canada.

Mr. Macdonnell (Greenwood): Can the parliamentary assistant give us some information as to the procedure which is followed in conjunction with the marking, and how it is regularized? Is it done by the public authorities? I notice there are stringent penalty clauses in this act, and I was going to ask one or two questions about that, but perhaps the parliamentary assistant would describe to us—it may be in the original act but I have not had time to read it fully—just how the markings are made and how infractions are dealt with.

Mr. McIlraith: Mr. Chairman, the applying of the markings to articles manufactured in Canada is done by the manufacturer. The actual working out, in conjunction with the standard branch of the Department of Trade and Commerce, is not difficult, but perhaps I could best illustrate it by indicating that regular inspection is made of the manufacturing premises so that there will be no breach by the manufacturers. It is something that, in practice, works out rather easily.

Then, on the other side, the retail trade, imported articles can be picked up and dealt with from the point of view of infractions. Perhaps the best way of illustrating the whole matter is to give the committee the number of inspections made last year. I think that will perhaps more effectively answer the inquiry than anything I could say. During the year 1949 the total number of premises inspected under this act was 4,164.

Mr. Macdonnell (Greenwood): Different premises?

Mr. McIlraith: The total number of warnings issued under the act was 49; the total number of items of advertising examined was 4,483; and the total number of assays of the materials and tests was 306. The total number of prosecutions under the act was nil. There was no need for any prosecutions. In this legislation the jewelry trade is very alert to protect itself against any debasement of materials, or anything even bordering on fraud or misrepresentation to the public. For that reason it is relatively simple to administer the act because, in effect, you have the benefit of the watchful eye of the trade at all times.

The history of the act is that it was brought in to prevent the false passing of articles as being gold and silver when they were not gold and silver. In fact, it has now become so well accepted and so generally recognized as beneficial to the trade that the trade itself does a great deal of the policing and sending in information as to suspected infractions.

Mr. Green: The industry polices itself.

Mr. McIlraith: Yes. They are quick to pick up anything that appears like an irregularity and send in information. Then it is a simple matter to inspect from that point on.

Mr. Macdonnell (Greenwood): I understood the parliamentary assistant to say that over 4,100 establishments were inspected.

Mr. McIlraith: Yes.

Mr. Macdonnell (Greenwood): I should like to know how many of those are what could be called manufacturing establishments, because I understood him to say that there were some 306 tests. I suppose they would be made perhaps in the manufacturing establishment. Perhaps the parliamentary assistant, when he answers that question, would also tell us how imports are dealt with, because that seems to me to raise a question.

Mr. McIlraith: It will be seen from the provisions of the act itself that imports are covered by certain sections; that is, imported articles. But they can easily be checked through the retail outlets. It is easy. As to any jewelry store selling an article if it does not comply with the act, first you have the jeweler himself who is probably alert to it and to see that it does meet the requirements of the act before he will handle it. And if it does get on the market, of course, there is quick complaint from others.

Mr. Macdonnell (Greenwood): Am I right in thinking that articles may still be imported from countries in which there is no similar regulation or at any rate no exactly similar regulations? What is done with regard to markings there if they do not correspond with ours?

Mr. McIlraith: The effective point is that the retailer will not buy them. The trade channels will not purchase an imported article if it does not comply with them. That is the effective check in the trade.

Mr. Macdonnell (Greenwood): Then are these regulations international?

Mr. McIlraith: No, they are not international. They are Canadian regulations.

Mr. Macdonnell (Greenwood): I am sorry, but I do not understand it yet. Suppose some article is imported. First of all, you test the jeweler and perhaps even more you test in another way. There would be a duty on some of these. They are not free.

Mr. McIlraith: I am afraid I cannot give the tariff.

Mr. Macdonnell (Greenwood): My question, at any rate, is this. Is there a problem when they are imported? Exactly how is it ascertained that they comply with our tests or what alternative marking is taken as an equivalent?

Mr. McIlraith: As a matter of practice, the first check you have is the purchaser or the importer of the article. This act is well established in the trade. The trade finds the act beneficial. The first effective check is your purchaser; that is, the trade purchaser, the wholesaler, the person who may be importing. After that, there is no effective check other than—

Mr. Macdonnell (Greenwood): May I interrupt and ask what precaution the purchaser takes when he is importing? Does he raise the question of the markings?

Mr. McIlraith: Yes, definitely. Otherwise he would be in the position of selling an article that was contrary to the act.

Mr. Macdonnell (Greenwood): Then I understand the markings may not be the same, and that is my question. If there is no international convention, in importing, let us say, from Switzerland or the United States, how does the importer comply with the requirements of the Canadian markings?

Mr. McIlraith: He has the manufacturer put the marking on. That is a common practice in the trade, generally. It applies, for instance, in the car import. If you go into a foreign manufacturing establishment, you will see that there are certain things on the cars or bicycles going to different countries that are different. The same thing applies here.

Mr. Macdonnell (Greenwood): As I understand it, in Canada the department carries out tests. They do not just take it for granted that when a marking is put on it necessarily complies with the requirements. The department makes tests?

Mr. McIlraith: It has tests made.

Mr. Macdonnell (Greenwood): Does the department have similar tests made abroad or have they any arrangement whereby they accept some certificate from abroad?

Mr. McIlraith: I would ask my hon. friend just to wait a moment until my officials get here.

Mr. Browne (St. John's West): I suppose that question has to do with the protection of the public and the inspectors.

Mr. McIlraith: No; that question has not to do with the protection of the public, because the public is fully protected when the inspection is made; and it does not matter whether the inspection is made in Canada or abroad, as far as protecting the public is concerned. No inspections are made by our department abroad under this act. There are, by the way, samples sent in for inspection here; but no inspection is actually made abroad. I might add one supplementary part to my answer. They are not cleared by the

customs, of course, until there is a clearance from the standards branch of our department, so that they do not get out where the public would purchase them.

Mr. Macdonnell (Greenwood): I go back to my other question. May we be told just what the procedure is? Let us trace an article coming from Switzerland, and let us find out what the importer does, then how it comes into Canada, who scrutinizes it and how we are satisfied that the standards are maintained.

Mr. McIlraith: The actual practice is for the inspectors of the standards branch to go to the customs warehouse and to make an examination there. If the markings are in accord with the act, then an article may be released for assay.

Mr. Macdonnell (Greenwood): Can they test quality on the spot in that informal manner?

Mr. McIlraith: I said that if the markings are in accord with the act the article may be released out of customs for assay; and that tests quality as well.

Mr. Green: Do they have inspectors in each of the main ports?

Mr. McIlraith: There are inspectors in the areas adjacent to all the main ports.

Mr. Adamson: The point is somewhat similar to the one I raised. In the United States marking of silver they use the word "sterling". As far as I know, there is no designation of the fineness on the article. Continental silver—Swiss, Austrian, German —has the fineness designated; I think it is 800 fine. I think that is the standard. The American regulations, before the word "sterling" can be put on a piece of silver, require a standard whereby it shall be of such and such a fineness; but that fineness, as far as I know—and I think I am correct in this—is not put on the article. Mexican silver has the fineness put on it. I think it has a national mark as well. Many of the manufacturers of silverware, Jensen and others that are internationally known, put their own mark on it, but—and this is the thing I am getting at—because the Jensen mark is on a piece of silver marked "sterling" or marked even with the fineness it does not necessarily mean that that piece of silver, as far as my information goes, was in fact made by the Jensen factories in Denmark. We should insist that a piece of Canadian silver shall have a distinguishable Canadian mark, giving both the hallmark itself, as in Britain, and the country of origin and the date. As far as I can see, the difficulty that the hon. member for Greenwood raises is that in the importation of a piece of silver or any precious metal, particularly a piece of artistic work, no definite custom in marking is followed, because each country has its own way of marking silver, or any precious metal.

Mr. McIlraith: I had intended to deal with the earlier remarks of the hon. member for York West on section 6 of the bill, but perhaps I can deal with them now on this section. I should point out that the practice in the European countries is to use the word "sterling" and indicate the fineness at the same time. In Canada and in the United States the use of the word "sterling" itself indicates that it is of a certain fineness, well recognized by the trade.

Mr. Adamson: What is it, 800?

Mr. McIlraith: It is 925/1000, so that the Canadian product in that respect is put in an advantageous position.

Dealing with the point raised earlier, it seems to me that it ignores the basic fact that this act is an act for the protection of the consumer. The point raised by the hon. member for York West, and it is an excellent one, had to do with bettering the trade advantage in the export markets; that is, by building up a reputation through identification of the product by a well-known identification mark that would, I presume, bear a very high reputation in the markets of the world. It seems to me that that problem is not something to be dealt with in this act, and is something that is not basically for the protection of the consumer in Canada, but for the improvement of the trade. It is something that should not be imposed in absolute terms in an arbitrary way by the statute but rather should be brought forward and developed voluntarily by the trade, and then applied under the terms of the national trade-mark legislation. On examination I think that that would be found to be the satisfactory way of achieving the desirable ends that the hon. member for York West hoped would be brought about.

Mr. Adamson: I do not want to labour this point at all. I thank the parliamentary assistant for his understanding of the problem which I did raise. This act deals primarily with the sale of bullion before it is manufactured into articles. I would imagine that is so particularly as it is dealing with palladium, and the huge percentage of the palladium produced in Canada is exported in bar form or bullion form for manufacture in the United States or in Holland, Switzerland or in the other jewelry-producing countries.

Mr. McIlraith: No, Mr. Chairman, that is not quite the situation with respect to the

act. The act is primarily concerned with the protection of consumers against wrongly labelled retail articles.

Mr. Adamson: If that is so, Mr. Chairman, I suggest that the parliamentary assistant consult with the trade and see whether something of this nature cannot be written into the act at another session, because several people I know have started off in the manufacture of really first-class high-grade silver articles and have built up quite a business; and while they did not consider themselves penalized, they have wished that, as their product grew older, one could recognize its age as one can the date of a piece of Georgian silver in England. It has the Georgian hall-mark on it. It may be from the Dublin mint, the Birmingham mint, or the London mint, but it is valued as it grows older for the different hall-marks it bears. Since we are building up a very important jewelry trade in Canada I suggest that this protection, which seems to be so valuable for English silver and plate, should be granted our manufacturers.

Mr. McIlraith: I shall be very glad to see that that point is taken up with the trade.

Mr. Macdonnell (Greenwood): I have a point. I introduce it by reading just a sentence or two from section 13 of the original act, subsection (d):

> Every dealer is guilty of an offence who
> (d) makes, sells, or imports or otherwise brings into Canada, an article to which any mark not authorized by this act or by regulation is applied...

My question is this: Are there any standards of any kind anywhere else which are as well recognized as, and bear a reputation equal to that of, the English hall-marks? Are there any standards of any kind that we will accept as equivalent to our own, or must everything have our own markings?

Mr. McIlraith: Yes, Mr. Chairman, there are certain marks that we very definitely accept.

Mr. Macdonnell (Greenwood): How does the subsection I have just read apply to them? Does not everyone who uses them and does not use our own marks come within the terms of the section?

Mr. McIlraith: Will the hon. member look at section 6, subsection 4, paragraphs (a) and (b), of the 1946 act?

Mr. Macdonnell (Greenwood): I have not got it now.

Mr. McIlraith: The hon. member will find it squarely covers the point raised.

Mr. Macdonnell (Greenwood): What is the section?

Mr. McIlraith: Section 6 (4) (a) and (b). Paragraph (a) covers the point particularly.

Mr. Macdonnell (Greenwood): The subsection says:

> Subsections two and three of this section shall not apply to any article
> (a) that is hall-marked in accordance with the laws of the United Kingdom; or—

And so on. In other words the parliamentary assistant is confirming what he said a moment ago to the effect that other standards are accepted. What is the test? How does he determine which one we accept? Do we test them in terms of our own requirements, or do we follow their general reputation? How many tests are there?

Mr. McIlraith: The practice in the United Kingdom is to have these articles assayed before the hall-mark may be applied. We in fact take the hall-mark without further assay.

Mr. Macdonnell (Greenwood): What other tests are there?

Mr. McIlraith: That same procedure would apply to certain articles from Holland, Switzerland and France—other than the United Kingdom.

Section agreed to.

Sections 2 to 7 inclusive agreed to.

Bill reported, read the third time and passed.

RESEARCH COUNCIL ACT

PROVISION FOR ADDITIONAL VICE-PRESIDENT—DEFINITION OF "INVENTION"

Hon. Alphonse Fournier (for the Minister of Trade and Commerce) moved the second reading of Bill No. 179, to amend the Research Council Act.

Mr. Macdonnell (Greenwood): Would the parliamentary assistant, in his speech, give us the general background of the research council?

Mr. G. J. McIlraith (Parliamentary Assistant to the Minister of Trade and Commerce): Mr. Speaker, I did that rather fully at the resolution stage. After doing it I came to the conclusion that I had gone into a great deal more detail in respect of the bill than probably I should have at that stage.

Mr. Macdonnell (Greenwood): I was not here.

Mr. McIlraith: Immediately this motion passes, it is my intention to ask that the bill be referred to the committee set up to examine into the operations of the national research council?

Mr. Macdonnell (Greenwood): Very well.

Motion agreed to, bill read the second time and referred to the special committee appointed to examine into the operations of the national research council.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull) moved the adjournment of the house.

He said: This is the first time I have been at a loss to indicate what we should do. If we were to use the short time left before six o'clock I would have to make the formal motion to go into supply.

Some hon. Members: Six o'clock.

Mr. Fournier (Hull): Perhaps we might call it six o'clock.

Tomorrow we will take up Bill No. 178, to amend the Excise Tax Act. That is the only financial bill we can take up tomorrow, I understand. Then we will proceed to Bill No. 181, to amend the Railway Act. That is the grade crossing bill. We will then take Bill No. 153, to amend the Aeronautics Act. We will then go into supply and take the estimates of the Department of Transport.

Motion agreed to and the house adjourned at 5.50 p.m.

HOUSE OF COMMONS

Thursday, May 11, 1950

The house met at three o'clock.

HOCKEY

WINNING OF CANADIAN SENIOR CHAMPIONSHIP BY TORONTO MARLBOROS

Mr. David A. Croll (Spadina): Mr. Speaker, I rise on a question of privilege. The late respected and esteemed Tommy Church would have performed this duty best, as he had often performed it in the past. I have great pleasure in announcing that last night at Edmonton, Toronto Marlboros won the Allan cup, which is emblematic of the Canadian championship in senior hockey, by defeating the Calgary Stampeders.

I am sure the house joins with me in congratulating both the winners and those who went down to defeat. The cup will now rest in the city of Toronto, where all good things are found in abundance.

Mr. Harris (Danforth): I have much pleasure in seconding the motion.

Mr. Harkness: On the same question of privilege, Mr. Speaker, since I come from Calgary I should like to congratulate the Marlboros on winning the Allan cup for the first time in eighteen years. I understand that, in the five games played, a high degree of sportsmanship was exhibited on both sides. For the first time in a considerable period no blood was shed by high sticking or other rough play. In fact my private advice from Calgary is that the Marlboro club is probably the best club that has played in the west for some years.

Mr. McIvor: Mr. Speaker, I should like to say that the honour of winning that cup goes to Fort William. Young Lewicki scored all three goals, and it would have been a poor Toronto team without Lewicki.

RAILWAYS AND SHIPPING

Fifth report of the sessional committee on railways and shipping, owned, operated and controlled by the government.—Mr. Cleaver.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 200, for the relief of Harry Goldbloom.—Mr. Winkler.

Bill No. 201, for the relief of Winnifred Julia Lester Stockless.—Mr. Winkler.

Bill No. 202, for the relief of George Eustorgio Lanzon.—Mr. Winkler.

Bill No. 203, for the relief of Laurette Amyot McGroarty.—Mr. Winkler.

Bill No. 204, for the relief of Hilda Marie Adeline Bouvier Cardy.—Mr. Winkler.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

CANADIAN BROADCASTING CORPORATION—GRANTS TO CANADIAN ASSOCIATION FOR ADULT EDUCATION

Mr. Diefenbaker:

1. Has the Canadian Broadcasting Corporation made any contribution to the Canadian Association for Adult Education during each of the last three years?

2. If so, how much, and under what circumstances?

Mr. Winters:

1. Yes.

2. (a) The following grants were made to the association for work in connection with the organization of listening groups and preparation of broadcasts in the series "Citizen's Forum" and "National Farm Radio Forum":

1947-48	$3,500
1948-49	3,500
1949-50	3,500

(b) A further grant of $300 was paid to the association in 1949-50 in connection with the organization of the Canadian radio awards.

EXPORTS OF BACON

Mr. Argue:

1. What quantity of bacon was shipped to Britain in each of the months of January, February, March and April, 1950?

2. What part of each month's shipments is credited to the 1950 contract?

3. What quantity of bacon was shipped to other countries in each of these months?

Mr. Gardiner:

1. January, 28,241,000 lbs.; February, 1,386,000 lbs.; March, 2,124,000 lbs.; April, 3,740,000 lbs.

2. January, 27,783,000 lbs., 1949 contract, 458,000 lbs., 1950 contract; February, 187,000

lbs., 1949 contract, 1,199,000 lbs., 1950 contract; March, 2,124,000 lbs., all 1950 contract; April, 3,740,000 lbs., all 1950 contract.

3. January, 37,000 lbs.; February, 129,400 lbs.; March, 298,300 lbs.; April, not yet available.

FEDERAL SALES TAX ON FOODS

Mr. Coldwell:

On what foods is the federal eight per cent sales tax now levied?

Mr. Winters: The structure of the act is such that all goods manufactured or imported are subject to sales tax unless they are included in the list of articles specifically exempted therefrom. It is therefore not possible to give a comprehensive list of articles to which the tax applies.

The question, however, might best be answered by enumerating the foods which are exempted from the tax, as follows:

Barley; bread; butter; cheese; cream; eggs, egg albumen and egg yolks; glucose; honey; ice; lactose; lard; rice; salt; soups; split peas; sugar; yeast; yogurt.

Baker's cakes and pies, including biscuits, cookies or other similar articles.

Cereal breakfast foods, not including beverages.

Fish and other edible products thereof.

Flour, including pastry, cake, biscuit, and similar mixes.

Foods prepared and sold exclusively for feeding infants.

Fruit, fresh, canned, frozen, dried or evaporated.

Grain grits and meals.

Jams, jellies, marmalades, and preserves.

Malt syrup, except when sold for beverage purposes.

Maple syrup; corn syrup; table syrups; molasses, and materials to be used exclusively in the manufacture thereof.

Meats and poultry, fresh, cooked, canned, frozen, smoked or dried.

Milk, including buttermilk, condensed milk, evaporated milk, and powdered milk.

Peanut butter and shortening and materials for use exclusively in the manufacture thereof.

Spaghetti, macaroni, and vermicelli.

Vegetables, fresh, canned, frozen or dehydrated, not including pickles, relishes, catsup, sauces, olives, horse-radish, mustard, and similar goods.

Vegetable juices; fruit juices which consist of at least ninety-five per cent of pure juice of the fruit.

[Mr. Gardiner.]

There is now before the house a resolution providing for exemption from sales tax of the following foods:

Ice cream; drinks prepared from fresh milk, and prepared whipping cream.

FEED GRAIN—COST OF FREIGHT ASSISTANCE WEST TO EAST, 1948-49

Mr. Matthews:

What was the cost to the Canadian government of free transportation of coarse grains for feeding purposes in 1948-49 from western Canada to the eastern provinces?

Mr. Gardiner: The government does not provide free transportation for western feed grains to the eastern provinces and British Columbia, but provides freight assistance. The amount paid out during the fiscal year 1948-49 was: eastern Canada, $15,801,874.38; British Columbia, $1,753,757.02.

QUESTION PASSED AS ORDER FOR RETURN

PUBLIC DEBT, NATIONAL REVENUE AND COST OF LIVING

Mr. Bertrand:

1. What was the amount of the national debt, gross and net, at the end of each fiscal year from 1942 to 1950, inclusive?
2. What was the national revenue for each fiscal year from 1942 to 1949, inclusive?
3. What was the index number of the cost of living in 1935, and what have been the variations in the said index number for each year since 1935?

AIR DEFENCE ZONES

UNITED STATES—IDENTIFICATION OF AIRCRAFT ON SOUTHBOUND FLIGHTS

On the orders of the day:

Mr. G. K. Fraser (Peterborough West): I should like to direct a question to the Minister of National Defence. It arises out of an announcement made over the C.B.C. this morning that the United States government is setting up a defence zone over the great lakes in order to intercept planes that did not make announcement of their flight into that country. Is this a general defence zone set up between the United States and Canada, and will the minister make a statement on it?

Hon. Brooke Claxton (Minister of National Defence): My understanding, Mr. Speaker, is that this announcement relates exclusively to operations over United States territory With regard to the latter part of my hon. friend's question, I shall be glad to look into it.

Mr. Fraser: It was definitely stated that it was over the great lakes.

Mr. Claxton: Yes; and the international boundary follows the centre of the lakes, as the hon. gentleman knows.

FLOOD CONDITIONS

AVAILABILITY OF RADIO NEWS BULLETINS

On the orders of the day:

Mr. W. M. Benidickson (Kenora-Rainy River): I should like to address a question to the Acting Minister of National Revenue. In view of the great anxiety of all citizens in the district of Rainy river, which adjoins the Red river flood areas, will the C.B.C. make its news bulletins available to the many relatives of the victims in the Rainy river district by utilization of Canadian National wire lines to Fort Frances station CKFI during the flood emergencies?

Hon. Robert H. Winters (Acting Minister of National Revenue): It is not yet known whether the physical circuits are available. That fact is being determined. In the meantime, C.B.C. has authorized a connection between CBW in Winnipeg and CKFI in Fort Frances.

CO-OPERATION WITH MANITOBA HEALTH AUTHORITIES IN PREVENTION OF DISEASE

On the orders of the day:

Mr. Ralph Maybank (Winnipeg South Centre): I should like to direct a question to the Minister of National Health and Welfare. In view of the vast bodies of water which have covered fields and flooded houses in Manitoba, and the probability that it will be several weeks after the water level has become stationary before the water is drained away, can the minister make a statement with respect to disease possibilities, and whether the government is in full co-operation with the Manitoba health department with a view to guarding the health of the people of Manitoba?

Hon. Paul Martin (Minister of National Health and Welfare): The hon. gentleman gave me notice early this morning of this question. I may say, first of all, as I said the other day, that the department of health of the federal government has been in touch with the provincial department of health and has expressed its willingness to do anything within its power to assist that department and that government in meeting the situation which confronts the province of Manitoba at the present time.

Dr. Jackson, who was the former deputy minister of health for the government of Manitoba, and who is an official of the Department of National Health and Welfare, has just returned from Winnipeg, where he was in consultation with the authorities there. From him I have this report. He points out that the principal health danger is from the contamination of water and food and the spreading of certain diseases, mainly typhoid. He states that the two ways to guard against this are, first, to vaccinate people against typhoid, and second, to provide purified water for human consumption. I may say to my hon. friend that we have been in touch with the principal suppliers of typhoid vaccine in Canada and have been assured that there is no risk of shortage.

Dr. Jackson further reports that through the experience gained in the modified flood in 1948 in the same parts of the province, but not affecting the city of Winnipeg to the same extent, it was possible this time for the provincial department of health immediately to step into the picture as soon as flood waters appeared at Emerson. Every provision was made for a reasonable standard of water for human consumption. Through the co-operation of army officials, chlorinating plants were provided in order that no community would be without properly protected water. The whole sanitary force of the central office of the department, including a sanitary engineer, two district sanitary officers and five sanitary inspectors, were given the responsibility of supervising the control of water supplies and the inspection of foods in the flood areas, as they developed.

I may add that we are following the matter closely in order to see what further co-operation can be extended in the situation.

EAST KILDONAN—REQUEST FOR NAVY AND ARMY ASSISTANCE

On the orders of the day:

Mr. J. S. Sinnott (Springfield): In view of the fact that flood conditions are getting worse hour by hour in the city of Winnipeg and in the constituencies along the Red river, I should like to direct a question to the Minister of National Defence. Will he instruct the navy and the army to evacuate the people from East Kildonan, and will he set up tents for the purpose of housing them until the river subsides?

Hon. Brooke Claxton (Minister of National Defence): As my hon. friend knows, the armed services under Brigadier Morton are co-operating closely with the provincial authorities and all other agencies, governmental and civilian; and the evacuation of certain citizens in the neighbourhood has been carried out in accordance with arrangements made on the spot. If other evacuations are necessary they will be made by means of those agencies, which, I can assure my hon. friend and the house, will take all necessary steps to ensure

the greatest possible measure of safety and the least possible discomfort to those evacuated.

HUMAN RIGHTS

INQUIRY AS TO CRIMINAL CODE AMENDMENTS—SPECIAL COMMITTEE ON FUNDAMENTAL FREEDOMS

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): I wish to direct a question to the Minister of Justice arising out of certain evidence given by the deputy minister of justice to a committee on fundamental freedoms in the other place on April 28, as appears at page 125 of the proceedings of that committee. Is it the intention of the government at the present session to introduce amendments to the Criminal Code in order to protect such essential freedoms as may be protected under the Criminal Code, and to set up a committee of the House of Commons to consider a bill for the protection of fundamental freedoms, instead of introducing a declaration or before introducing a bill on the subject?

Hon. Stuart S. Garson (Minister of Justice): My hon. friend gave me no notice of this question, other than to send to me across the floor the report of the evidence of Mr. Varcoe, on which he had marked what I took to be his interpretation of such evidence. I must say, from examining the evidence and its context, that I place a somewhat different interpretation on it from that which he places on it. Therefore I think I should take his questions as a notice, confer with Mr. Varcoe, and make a statement tomorrow.

POLAND

REFERENCE TO RECALL OF MR. MILNIKIEL AS MINISTER TO CANADA

On the orders of the day:

Mr. Angus MacInnis (Vancouver East): I should like to address a question to the Acting Secretary of State for External Affairs. A report in the press this morning and over the radio stated that the government of Poland was withdrawing its minister or representative from Canada, and gave certain reasons for it. Will the minister make a statement, either today or at some other time, as to the validity of these reports?

Hon. Brooke Claxton (Acting Secretary of State for External Affairs): I know the hon. member was not able to give me notice of the question, but I expected that one might be asked. A note dated May 9 has been received from the Polish minister, Mr. E. J. Milnikiel, informing us that he had asked his government that he be recalled from his post as Envoy Extraordinary and Minister Plenipotentiary for Poland in Canada, and that he would be leaving this country on May 12. Mr. Eugeniusz Markowski would be in charge of the legation as chargé d'affaires.

The Polish minister explained that he had requested his recall because, in spite of his endeavours, a solution of the principal points of controversy between Poland and Canada had not been achieved. He added that, believing in the traditional friendship between our two countries, he was convinced that it would be possible to overcome the present difficulties.

A reply in acknowledgment will be handed to Mr. Milnikiel this afternoon by the undersecretary of state for external affairs, pointing out that the position of the Canadian government on the matters of controversy to which the minister referred but which were not specified in his note had been made abundantly clear to the Polish authorities on a number of occasions.

INSECT PESTS

QUESTIONS AS TO INFESTATION OF APHIDS IN SOUTHERN MANITOBA

On the orders of the day:

Mr. J. E. Matthews (Brandon): I desire to direct an inquiry either to the Minister of Agriculture or to the Minister of National Health and Welfare, as the case may be. In view of the serious losses sustained last year by many farmers, especially in southwestern Manitoba, from the infestation of aphids, and in view of the report that destruction from the same source is already evident in several states of the union directly south of last year's infested area in Canada, the question I want to ask is this. Is the combating of this insect invasion the responsibility of the federal government or of the provincial government? If of the former, what preparations are being made to meet what may become a serious situation again this year?

Right Hon. J. G. Gardiner (Minister of Agriculture): The responsibility for fighting insects of that kind is a provincial one, but the federal government has always co-operated in every possible way in giving assistance. One of the ways in which we have done that in the past is to examine into what has taken place in the United States and thus to be able to provide any information that may be obtained there which has not already been obtained here through research, to be applied in this country. We have at times assisted in the flying in, where it was necessary, of some of the chemicals which are

essential and which are not available in sufficient quantity. We have assisted in every way possible in doing that, and of course we shall continue to do so in connection with this infestation. I believe that was done last year quite successfully, to the extent that it could be done when the infestation was new; and with the experience of last year I think the provincial government will be able to carry on even more successfully than a year ago. They may be assured of every necessary co-operation.

EXCISE TAX ACT

Hon. Alphonse Fournier (for the Minister of Finance) moved the second reading of Bill No. 178, to amend the Excise Tax Act.

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

On section 1—*Part I repealed.*

Mr. Fraser: Can the parliamentary assistant tell us what was the estimated revenue from this last year, or is there any way of checking it, in view of the fact that postage stamps may also be used for excise purposes?

Mr. James Sinclair (Parliamentary Assistant to the Minister of Finance): This does not refer to the tax on cheques. When the private chartered banks had the right to issue bank notes in circulation there was under the revenue act a provision that they paid one-quarter of one per cent each quarter of the year on the notes they had in circulation. Now that all the note circulation is in the hands of the Bank of Canada this section becomes obsolete and is therefore being removed from the statute.

Mr. Fraser: I am sorry, Mr. Chairman; I meant to ask the question on section 2.

Section agreed to.

On section 2—*Die.*

Mr. Sinclair: The only reason for the change is that last year in our tax amendment we permitted the use of a postage stamp meter to be used in putting the tax on cheques, but we did not alter the definition of a die. What we are doing in section 2 is to widen the definition to include a postage stamp meter.

In answer to the question of the hon. member for Peterborough West, there never has been an actual determination of how much revenue the Post Office Department gets through the use of postage stamps on cheques. It is not very wide practice with commercial firms, but quite wide in use so far as individuals are concerned. The only way in which it could be assessed would be to take a spot check of all cheques cancelled by all the banks of Canada over a week or a month; but that has never been done.

Mr. Fraser: It is an excellent idea to permit the use of the meter, but will not this meter cause the post office to gain more revenue instead of the customs and excise division?

Mr. Sinclair: It is quite true that the Post Office Department's revenue from this source will go up a little and the revenue of the Department of National Revenue down a little, but the net effect will be the same so far as the government of Canada is concerned.

Mr. Adamson: Then there is no accurate account or estimate of the revenue from this tax?

Mr. Sinclair: There is an accurate account of the revenue from the sale of excise stamps, but no accurate account has ever been kept of the use of postage stamps instead of excise stamps on cheques.

Mr. Adamson: Apparently this is an important source of revenue. Would it not be advantageous to know exactly what revenue is raised by the 3-cent and 6-cent stamp charge on cheques?

Mr. Sinclair: It might be of some academic advantage, but the banks would have to sort all their cheques in a different way for such a check, and there never has been sufficient interest to warrant the cost to the government and to the banks of making a check on cheques bearing excise stamps and those bearing postage stamps.

Mr. Adamson: I can understand that.

Mr. Fraser: What was the extent of the sale of excise stamps last year?

Mr. Sinclair: The following are the figures for the sale of excise stamps in the last few years:

1946-47	$15,551,793
1947-48	15,352,857
1948-49	13,605,236
1949-50	9,013,995

Mr. Fraser: The drop would likely be owing to the fact that postage stamps could be used for excise purposes.

Mr. Sinclair: Partly so, yes.

Section agreed to.

Sections 3, 4 and 5 agreed to.

On section 6—*Goods purchased by an institution for its own use.*

Mr. Fleming: This is the section which proposes to exempt from the sales tax goods purchased by certain institutions for their own use. With the general intent of the

section I am sure there will be no disagreement whatsoever; on the contrary, there will be the fullest agreement. The question arises, however, as to the scope of the section; and as it appears in section 6 of the bill it seems to me it goes neither as far as was indicated in the discussion of the resolution preceding the bill, nor as far as the present situation warrants.

When the resolution was under discussion on April 27 the parliamentary assistant indicated, broadly, that there were two classes of institutions which it was intended to help by the amendment. The expression he used at page 1974 of *Hansard* was, "a group of institutions which are closely allied to hospitals". Then, at a later point he said:

The second class to which this section applies is orphanages.

He went on to indicate that it is unfair that institutions in those two classes, namely hospitals and orphanages, should be obliged to pay sales tax in respect of goods purchased by them for their own use. He concluded his remarks on the subject with these words:

But the group of institutions which are covered in this resolution will be carefully enumerated when the actual bill is brought down, and goods bought by those institutions for use in those institutions will be free from sales tax.

If we examine section 6 we see that the benefits of the section are extended to those institutions which are more fully defined in subsection 2. There we see that the exemption applies to institutions—

—certified by the Minister of National Health and Welfare in accordance with regulations of the governor in council to be

(a) a bona fide public institution whose principal purpose is to provide permanent or semi-permanent shelter and care for children or aged, infirm or incapacitated persons who reside in the institution, and

(b) in receipt annually of aid from the government of Canada or a province for the maintenance of persons specified in paragraph (a).

My concern directly is with the limitation set out in paragraph (b) in respect of institutions which are annually in receipt of aid from the government of Canada or a province. I submit those words unduly limit the scope of an otherwise praiseworthy provision. There are many institutions carrying on the most laudable charitable and philanthropic work, of a kind and in a manner which must commend itself to everyone, but which do not receive any annual grant in aid from the government of Canada or the government of any province. As a matter of fact many of the institutions doing the noblest philanthropic and welfare work in Canada are those which are dependent directly upon free contributions from individuals, and those whose only assistance from the public treasury is derived from municipal governments, not from federal or provincial governments.

The hon. member for Dufferin-Simcoe raised this question in committee of ways and means during the course of discussion of the resolution, when, as reported at page 1975 of *Hansard*, he asked:

Old people's homes that are run by a municipality will be included?

The parliamentary assistant replied:

If they receive grants from the municipality by way of assistance, that qualifies them.

I do not find in section 6 any provision which would warrant the drawing of that conclusion from the section. As I read paragraph (b), the scope of the exemption is confined to those institutions otherwise qualified, which receive annual grants from either the government of Canada or the government of a province.

I am sure many representations have been made to the minister in this connection. I know it is a matter of concern to many of the institutions and organizations engaged in welfare work. They are, of course, pleased to see this step being taken, so far as it goes, but in my submission there does not seem to be any reason, if the door is open to admit the exemption in respect of such institutions as receive federal or provincial aid, which would justify the closing of the door on institutions engaged in just as laudable and just as necessary work but whose only public assistance is derived from municipal governments.

Mr. Sinclair: I am glad the hon. member for Eglinton has raised this question. It is true that inadvertently I gave that assurance to the hon. member for Dufferin-Simcoe, but I corrected it later in *Hansard*. The reason I was guilty of this error arose from my background of knowledge of the fact that in the province from which I come any such assistance a municipality may give to a home of this type is matched by the provincial government. I am informed that this condition obtains in other provinces, but not in all of them.

The reason for this limitation to institutions receiving grants from either the federal or a provincial government lies partly in the fact that we find this the most practical way at the present time to define public institutions. In the resolution stage I pointed out that we saw no reason why we should try to help certain of the private hospitals or private old people's homes which are not operated on a charitable basis but rather for profit. We had that distinction in respect of hospitals, and we have carried forward the same expression in this section 105A. The test as

to whether one of these institutions is public is whether or not it has been in receipt of a grant from either the federal government or a provincial government.

During the last three or four years at budget times we have been receiving large numbers of communications from such institutions across the country asking that this privilege be extended to them. I have been checking with my advisers, and we cannot remember any case brought forward in which this test was not applicable. Institutions which have communicated with us have said: "We meet the same test as hospitals, in that we receive a grant from the public treasury"—either from a province or from the federal government. Hon. members will appreciate that this is a new field which is not easy to control. That is one reason why we are postponing the actual bringing into effect of this amendment until July 1, so that we shall have another couple of months to work out the details of the regulations.

During the course of the year we shall be able to determine whether or not any real hardship is imposed on worth-while charitable institutions of this type because of this provision. If that should be the case, the matter will be considered again.

Mr. Fleming: I should like to make two brief observations. First, what I had to say applied to the test under paragraph (b). I accept the test under paragraph (a), which would confine the benefits of the exemption to institutions that are clearly public in character because of the beneficial work they are seeking to do. Of course that qualification will remain. It is the additional qualification which I submit is entirely too narrow and restrictive.

In the second place, I appreciate that this is a new departure. I think it is a praiseworthy departure, and I hope it will be regarded by the government as only the first step. I ask the parliamentary assistant to give us assurance that this particular aspect of the problem, namely, the possibility of extending exemptions to institutions whose only public assistance is derived from municipal governments, will be given serious study between now and the next session, and that in the light of the experience gained in the administration of the section the matter will be further reviewed.

Section agreed to.

Section 7 agreed to.

On section 8—*Schedule III amended.*

Mr. Thatcher: The general idea of this section is to remove the sales tax from certain food items. I should like the parliamentary assistant to indicate the principle behind this exemption that would prevent a similar exemption being granted to margarine as a foodstuff. I believe the parliamentary assistant would like to see that done.

Mr. Sinclair: The hon. member knows that the sales tax on margarine is a matter in which I have more than passing interest. The actual intent of this present provision is to assist the dairy industry. The argument advanced in previous years against making a sales tax concession in the case of ice cream was that ice cream was used as a confection rather than a staple food. Perhaps that argument is still a good one, but the Department of Agriculture has felt that in view of the competition which the dairy industry now faces from margarine, some help should be given through a relaxation of taxation. Since the purpose of this sales tax exemption for ice cream and other dairy products is to assist the dairy industry, there would not be much assistance if at the same time its principal competitor was given the same consideration.

Today margarine is still one of the food items on which the sales tax is applied, of which there are still a few, although perhaps these others are not as widely used as margarine. Those items are studied each year by the budget committee to see whether or not it would be appropriate to remove the tax. That is the explanation I can give for the fact that this exemption for dairy products has not been extended to margarine.

Mr. Fraser: When this question was up before I spoke about the problem of whipping cream. Since that time the parliamentary assistant has told me that the containers are now made in Canada. I was wondering at the time why the excise tax was taken off this product.

Mr. Sinclair: The hon. member was asking about this new prepared whipping cream which was coming in in United States containers. I have made inquiries since then, and I find that the containers are now being manufactured in Canada. Up until now the patent nozzles have been imported from the United States but I am informed that a licence has been granted for Canadian manufacture, and they will soon also be made in Canada. This exemption from sales tax applies to the cream; but I do not think it extends to the container.

Mr. Fraser: I looked at one of these containers, and it stated that the contents were made up of thirty per cent whipping cream; then it set out the other ingredients. The parliamentary assistant now says that the

exemption would apply only to the thirty per cent of cream in the container.

Mr. Sinclair: I misinformed the committee a moment ago. I now find that the tax exemption applies to the entire packaged product.

Mr. Fraser: At the wholesale level?

Mr. Sinclair: At the wholesale level.

Mr. Fraser: In what city are these containers manufactured?

Mr. Sinclair: In Montreal.

Mr. Fraser: Where is the stuff prepared?

Mr. Sinclair: Granby, Quebec.

Mr. Charlton: What is the actual percentage of butterfat in this prepared whipping cream?

Mr. Sinclair: I will get that information for the hon. member.

Mr. Blair: If taking the tax off ice cream was to help the dairy industry, how can an exemption applied to a product made entirely of edible oils be of assistance to the dairy industry?

Mr. Sinclair: This exemption does not apply to any preparation made from edible oils. It applies to dairy products such as ice cream and the whipping cream, to which the hon. member for Peterborough West has been referring. This is put out in a small container with carbon dioxide so that the cream issues ready whipped. No product made of edible oils would come under this exemption.

Mr. Fraser: I brought this matter up before, because I wondered why the sales tax would be taken off an article containing only thirty per cent whipping cream when it was still imposed on prepared drinks, such as Ovaltine, which would contain at least thirty per cent milk products.

Mr. Sinclair: I am afraid I cannot follow the thirty per cent figure quoted by my hon. friend. The article I am thinking of contains cream along with a small amount of carbon dioxide which ejects the cream in a whipped state.

Mr. Fraser: I looked at one of these containers, which came from Montreal, and it stated that the cream content was thirty per cent; then it set out the other ingredients and the carbon dioxide; it stated that the amount of cream was only thirty per cent, with the other ingredients making up the seventy per cent.

Mr. Sinclair: Probably skim milk.

[Mr. Fraser.]

Mr. Adamson: I understand that the tin cans containing packaged foods such as soup are still subject to the eight per cent sales tax?

Mr. Sinclair: The general rule is that the container of an exempted food is also exempt from sales tax. I am informed that soups were covered by the 1948 sales tax amendments.

Mr. Adamson: Would that include the label, the solder and everything going into the manufacture of the tin can? The container used to be taxable.

Mr. Sinclair: That is quite right.

Mr. Adamson: Are all the ingredients of the soup, spices and other essential flavourings, now free of sales tax?

Mr. Sinclair: I am informed there may be a very small range of goods, such as imported spices, which still pay tax, but the principal ingredients do not.

Mr. Goode: Has any study been given to the question of the removal of the sales tax on tea and coffee?

Mr. Sinclair: Of course consideration is given in every budget committee to removing taxes. Tea and coffee are a class of goods which has always had this tax. While they are very commonly used, they are not commonly regarded as in the class of staples of diet. Because of that there have always been special taxes on the importation and sale of tea and coffee.

Mr. Tustin: I should like to ask a question about ice cream. Before the war it had to contain a certain percentage of butterfat. During the war years there was a restriction on the amount of butterfat allowed in ice cream. What percentage of butterfat is contained in ice cream today? In fact I might go further and ask whether there is any cream in ice cream today.

Mr. Sinclair: The hon. member knows I am not an expert in agricultural matters. I remember that when the resolutions were before us the hon. member for Peterborough West took some credit because the butterfat content of ice cream had recently been raised.

Mr. Fraser: To thirteen per cent.

Mr. Tustin: I am afraid if the parliamentary assistant were to test some of it he would find it was very much below thirteen per cent. I should like to ask him the same question as to whipping cream. We are removing the sales tax to help the farmer. I believe in many of these instances we are

giving the farmer an uppercut in a roundabout way. I believe we are doing him an injustice on a number of these articles. I should like to ask how much butterfat is contained in the whipping cream that we get out of cans with a nozzle, about which the parliamentary assistant was speaking.

Mr. Sinclair: I should certainly like to answer the hon. member, but he will remember that my preparation has been on the tax end of the question. I will direct his question to the Department of Agriculture, which no doubt will be able to give the information tomorrow.

Mr. Tustin: I thank the parliamentary assistant for that, but when these bills are introduced we should be able to get facts that it is really desirable to have. I think we should know whether we are helping the farmer or doing him an injustice.

Mr. Sinclair: All I can say is that for the last two years the Canadian Federation of Agriculture, farmers' groups across the country, and members of the House of Commons have been demanding this very exemption on behalf of the farmers. Therefore I would think that is the best indication that the removal of the sales tax from dairy products will be helpful to the farmer.

Mr. Tustin: I am afraid the parliamentary assistant misunderstood me. I am certainly in favour of having the sales tax removed from dairy products. The point I am trying to make is that we should see to it that these products contain cream and not the synthetic mixture which is going into a lot of them today. We should do everything possible to help the farmer, and we certainly should not allow a lot of this stuff to be sold to the public, thus practically putting the farmer out of business.

Section agreed to.

Section 9 agreed to.

On the title.

Mr. Fraser: Before the title carries there is one question I should like to ask the parliamentary assistant about section 6, wherein the sales tax is eliminated in the case of welfare institutions. If a children's aid society has occasion to go to a store to purchase dresses for a couple of its wards, the storekeeper cannot give them an exemption from sales tax; the society has to appeal to the wholesaler.

Mr. Sinclair: That class of people is not covered. The section refers to institutions where the actual people being cared for are in residence. It does not apply to children's aid societies which put children in foster homes.

Mr. Fraser: I know, but in the city of Peterborough we have a children's aid shelter, and when the children come there we have to buy clothes for them. Our women are making and purchasing clothes for them all the time. I was a director of the local society for years. I am an honorary director now, but I am still greatly interested in the society.

Mr. Sinclair: I presume of course that the Peterborough children's aid society gets assistance from the provincial government.

Mr. Fraser: Through grants, yes.

Mr. Sinclair: If it does, then that institution is covered. Under the terms of this section, when purchases are made by the children's aid society for use in their own institution, the bills are sent to the Department of National Revenue. If they are an approved institution, they will get a refund of the tax.

Mr. Fraser: That is the question I want to clear up. They would buy from a retailer.

Mr. Sinclair: Yes.

Mr. Fraser: How do they submit the bills in order to secure the exemption? The retailer has to buy from the wholesaler, and it is at the wholesale level that the tax is imposed.

Mr. Sinclair: That is quite right, but the procedure to be followed is that the institution, probably monthly or quarterly, files with the Department of National Revenue the bills for the purchases it has made which are covered by sales tax. Between now and July 1, the date of coming into effect of this provision, auditors of the Department of National Revenue will get in touch with all these institutions to inform them about the proper way in which to prepare their claims.

Mr. Fraser: There will be forms?

Mr. Sinclair: There will be forms, yes.

Mr. Fraser: I think that is advisable; it will help.

Mr. Harris (Danforth): During the last two decades there has been a tremendous increase in the consumption by our people of so-called creams which were thought to have emanated from the cow but which may be found to have emanated from the coconut tree. I should like to reiterate the statement made many years ago in this house as to how such commodities replace the production of our dairy farms. Ice cream and creams of other kinds are foods of great value, but foods which do not absorb as much of our

Canadian dairy production as we would like. Through you, Mr. Chairman, I want the department to know that I do not want any of these synthetic products imported from other countries to be left out of the category on which excise tax is payable. I want to see the real spirit of the idea behind the bill carried out, namely, that Canadian production of dairy products will be free of this tax. These things which are produced by our friends in the Pacific islands, Nigeria, Colombo, Ceylon and the other parts of the world, and are imported into this country, should pay their share of the tax. These people are willing to pay their fair share of the necessary tax to get their goods into this country. I want you, sir, as the person charged with the responsibility of collecting that excise tax, to see that you carry out your duties to the nth degree so these people will not avoid paying the tax.

I think perhaps, Mr. Chairman, the parliamentary assistant knows that in those mixtures that come down to us in the form of valuable food, full of calories and all that sort of thing, there are certain things which have not borne excise tax, which tax is supposed to protect the interests of the farmer members of this assembly, sir, and protect the dairy cow. I am not critical. I merely want to put these observations on the record again, as I did at great length in 1934, 1935, 1936, and every other opportunity I had; because we must protect our Canadian economy and help to protect the dairy cow if we can. It is not her fault, nor is it our fault, that we are in this northern climate. It is not our fault that, although the cow produces 100 pounds of milk, one only gets 5 pounds of butterfat, whereas a pickaninny can climb a tree and collect a palm nut from which he gets 45 per cent fat at very little cost to anyone. In that case Providence provides it.

These oils are sent to our warehouses, put through Canadian processing plants, and the resultant product is something which we, as consumers, think of as a dairy product. It is not a dairy product, it is a product of the miscellaneous nuts and fruits which come from the Pacific islands and the other parts of the world. I have no objection to it at all, but the excise tax is designed to help us get some revenue from the products which come from other countries. I say to you, sir, that there are more gallons, hundredweights, or tons, or any other unit of measure you wish, of this commodity coming into this country than our native cows will ever produce, and it will come in increasing quantities as the days go by. The parliamentary assistant has a duty to perform to those of us in Canada who depend on the government, in a small way, to collect our dues at the border from these tremendous importations of vegetable oil products from practically all parts of the world. Bring them in, of course, but let them pay their toll.

If it is the opinion of the government that this legislation in some degree helps to protect the producers of butterfat, then go a little further and do some research work to see to what extent that is being accomplished. I am not critical of it, but make sure —I am not talking, Mr. Chairman, to the minister or his deputy just now, I am talking to the deputies who are serving under them —that your administration of this particular act is such that it will approximate 100 per cent efficiency. When I pass a bakery shop window and I see a pie with some whipped cream on top, I want to know whether that is whipped cream or whether it is coconut butter made from coconut oil that came from some other part of this terrestrial ball, rather than from the milk cow of Canada. If the truth were known, nine times out of ten that whipped cream that is on top of that pie is not whipped cream at all but whipped coconut oil or some other kind of oil, which found its way into this country and was processed. It was looked after by some big packing house or soap industry, which in turn sold it to that bakery. For what reason? It looked good; it tasted good; and it would stay in the bakeshop window and remain in good condition for many more hours than would the whipped cream from the Canadian cow. When the consumer bought the pie, he thought he was eating a domestic product. In like manner the housewife is deceived when she buys shortening. She thinks she is getting something domestic, and she should know that there is hardly anything domestic in that particular shortening. It all comes from the other countries which I mentioned a moment ago. Why the laws of this country should allow the word "domestic" to be used to that extent, I do not know. Why we should permit the housewives to be fooled by a lot of these products, very often combined with other products, which evade these excise taxes, is something I cannot understand. I am saying to those who serve in that department that they should see to it that these products do not escape the tax. Eight per cent is a miserably small percentage of the whole thing.

In Montreal some years ago I saw one tank steamer loaded with Chinese peanut oil, and she was so heavily laden that they had to lighter the ship because she could not tie up to the dock. This product cost less than three cents a pound, and it was necessary to

lighter that tremendous cargo to get it into Canada. I ask any ordinary farmer to tell me how butterfat can be produced at three, four, five or even ten cents a pound, to compete with products from these other parts of the world, and still permit our Canadian agricultural industry, our Canadian livestock industry, and our Canadian dairy industry to survive. We do not mind competition, but God put us on this North American continent and we have difficulty in pasturing our cattle. We cannot pasture our cattle the year round as is done in some other countries. We must build barns, but in many countries no barns are necessary, and the cattle can remain out the year round.

We cannot do that here. Yet we are here and we are a country by ourselves. Let us take charge and assume responsibility for our country. In these few words I am saying, I know I am getting a little bit away from the point. I know that you, Mr. Chairman, are getting ready to call me to order. I can see your fingers wobbling. I know I am a little bit away from the point, but I am putting this on record with your indulgence, sir, so that these gentlemen under the minister and under his deputy will see that this little excise tax is collected, that this law is carried out, that there will be no evasion or getting away from it. When I go past the next bakeshop window and see that whipped cream on a custard pie I want to know, Mr. Parliamentary Assistant, that it has paid its full excise tax, if it is not whipped cream; and I want to see the farmer protected if it is whipped cream, in order to help in a little way.

As one year succeeds another, I can see the fading—and I will say this in a voice that will be heard—of the dairy industry. That fading is coming about not through any fault of ours but owing to the fact that we in this northern zone and the other zones are backed up with these free trade ideas of all kinds of administrations across Canada. Through all the conferences that are being held at Geneva and what not, with the advent of that day and generation, I gave this warning to the people of Canada: as Geneva proceeds, and as these protections, if you like, proceed—you understand that word; that is why I use it, I do not think it means protection in the full sense of the word as it appears in the Oxford dictionary—this conservation of our livelihood and native industry, call it protection if you will, is not enough to stop what is happening in the universe in the production of these products. They are not synthetic. They are natural products. They will keep coming. But before this bill passes I want those in your department to see to it that there is no evasion, no mixture, no adulteration, that when it is stated to be whipped cream, it is whipped cream and when it is stated to be a filling of some kind or something else, it has paid its excise tax.

Title agreed to.

Bill reported, read the third time and passed.

RAILWAY ACT

AMENDMENT TO INCREASE ANNUAL GRANT TO GRADE CROSSING FUND

Hon. Lionel Chevrier (Minister of Transport) moved the second reading of Bill No. 181, to amend the Railway Act.

Mr. Adamson: Is the minister going to make a statement?

Mr. Chevrier: As already stated on the resolution stage of this matter, the object of this bill is twofold: First of all, to increase the payment for any one crossing under section 262 of the Railway Act from $100,000 to $150,000 so that hereafter, where the cost of any one project does not exceed that amount, 40 per cent of the cost may be paid from the grade crossing fund. Where the cost exceeds $150,000, no more than 40 per cent shall be paid, and shall not in any case exceed $150,000. Then the other part of the bill provides that the payment made into the grade crossing fund by a vote of parliament shall be increased from the sum of $500,000 to $1 million for six consecutive years from the first day of April, 1951. I think that is all I need to say at this stage.

Mr. Harris (Danforth): Do I understand that when we carry this motion, we are through with this bill?

Mr. Chevrier: No.

Mr. Speaker: As I understand it, the house will then resolve itself into committee of the whole on the bill.

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

On section 1—*Apportionment of money by board.*

Mr. Fleming: This matter was discussed in committee on May 5, and I do not propose to review or to traverse any of the ground that was covered there. There is, however, one subject that I should like to bring before the committee. As the minister has said, the effect of this amendment to section 262 of the Railway Act is, first, to increase the annual statutory grant commencing April 1, 1951, from $500,000 to $1 million; and second, to

raise the maximum available out of the fund, on order of the board of transport commissioners, from $100,000 to $150,000. There is, however, no change proposed in the bill with regard to the other maximum, namely the 40 per cent.

As I indicated when speaking on the resolution stage of this bill on May 5, there are good reasons why the maximum amount available out of the fund for any one work should be increased from $100,000 to $150,000. The cost of these grade separations and crossing protective works has increased tremendously, and the railways are having their own difficult time with financial problems, so that if there is to be any attack on the problem of level crossings in Canada, we must accept the fact that the railways are not in a position to bear the brunt of the burden. There are also good reasons why, apart from the financial aspect, they should not be called upon to do so. The fact that the problem is growing in its scope and in its intensity is largely attributable to increased highway traffic. I submit that there is good ground for increasing the present 40 per cent maximum. It has been increased in times past. An increase in that percentage is nothing new. It stood at 25 per cent for many years. The reasons that led parliament to increase to 40 per cent this maximum percentage have, I think, grown stronger in the interval since that last increase was made.

Lest any hon. member should think that there is grave danger in raising that maximum, I point out that it is still subject to the orders of the board of transport commissioners. No sum is available out of that fund except on order of the board. Such are the provisions of the Railway Act. All that we are doing, if we increase the 40 per cent maximum, is to say to the board of transport commissioners: If you think the circumstances warrant it, after you have heard the case and reviewed all the evidence, we are not going to impose so low an arbitrary limit on the amount available out of the railway grade crossing fund.

Sir, as I sought to indicate in my remarks on May 5, this fund has had a record of remarkable achievement. It has been a highly commendable piece of remedial legislation. I do urge that the time has come for a further relaxation of the percentage maximum that now is imposed under section 262. I think in that way we shall be taking a forward step. We shall be contributing toward the expansion in all parts of the country of the desirable work of grade separation and protective works at crossings, and we shall, I am convinced, contribute to the saving of life and the avoidance of those accidents which have taken many lives and maimed many persons.

It should always be remembered, Mr. Chairman, that there is no money available out of the railway grade crossing fund to assist in the maintenance of crossing works. The railway grade crossing fund is available only to assist in the construction of those protective works on crossings or actual grade separations. That is a further limitation, and when we measure, on the one hand, the necessity of works of the kind we are speaking of here, the great field that still remains for remedial operation of legislation of this kind and of funds of the nature of the railway grade crossing funds, and, on the other hand, the restrictions that still exist even if this percentage maximum were increased, the fact that $150,000 is the maximum amount in any particular case, and the fact that the fund is available only for assistance in construction, not toward maintenance, and in the third place that it is always subject to the orders of the board of transport commissioners, and not one copper comes out of that fund unless the board of transport commissioners is satisfied it ought to come out, and others who are to pay are contributing their share, then it seems to me the case is very strong for the increase in the 40 per cent.

There is one other aspect to this, and I mention it briefly in conclusion, Mr. Chairman. The increase that is being proposed in this bill for any one work from $100,000 to $150,000, with 40 per cent maximum, is going to be very helpful in the case of the large and expensive crossing protective works. But there are many crossing works of a protective nature that do not run into these very big figures. There are many crossings where protective works could be installed to the very great advantage and benefit of the public, where costly works of grade separation are not required. I am thinking particularly of cases of the kind where great local benefit will ensue when I urge that the present percentage maximum of 40 per cent should be increased.

I mention again that in doing so we shall be simply consistent with past history; we shall be simply taking one step forward in this respect, following steps of a similar nature taken in the same direction in the past, in the light of conditions, consistent with those which led to the increase in times past, and which have lately become intensified in their effect.

Mr. Harris (Danforth): Mr. Chairman, I am happy to endorse what the hon. member for

Eglinton has had to say. To save time perhaps the minister could reply to both of us at the same time. I have a few specific instances to mention, of which the minister has been well advised. Before proceeding to make some suggestions I should like to put on the record that from my point of view at least for over a quarter of a century the city of Toronto has been pretty well looked after with regard to the amount of money expended out of this fund to eliminate level crossings. Perhaps we have not had favours to the same extent as our friends from Montreal, but we have had certain favours. The occasion was the grade separation for the half million population in the environs of the city of Toronto from Queen street east, to the union station. These benefits were obtained by an organization known as the Toronto Terminals Railway Company, which was set up. But during this quarter of a century there has been a tremendous increase in the population to the east of where the Toronto Terminals Railway Company started in with their great work some twenty odd years ago.

In passing, the deputation which waited on the ministry at that time went from my humble office in the House of Commons, where they gathered their facts together. But the minister did a great job for us at that time. I think the amount was around $22 million, and you could not do the job today for $50 million. Populations grow. I am anxious to impress on the minister and on his department the tremendous growth of the population east of the area which you protected by the grade separation of that day and of that generation.

A new city has arisen in the area east of that, but the old railway line is still there. The level crossings are still there. At Woodbine avenue there is a level crossing; at Greenwood avenue, a level crossing; at Jones avenue, a level crossing; at Logan avenue, a level crossing. These are all main arteries giving ingress to and egress from the city of Toronto. Over them travel thousands and thousands of people, motorcars and vehicles of all kinds. They are protected to a degree, yes, by gates of a kind. But through you, sir, I say to the minister the time has come when another grade separation for the eastern environs of the city of Toronto is necessary.

In a moment of generosity and kindness, and after a plea to you, you did give us in my area the Victoria Park avenue subway. I thank you now for it; perhaps it is a little late. It has helped wonderfully, but between that subway and the end of a mile and a half there are four level crossings. Traversing these four level crossings are the people who are servicing the population and who must have ingress to and egress from the city of Toronto. I am safe in saying that in that area there is close to half a million inhabitants. Time marches on, and the minister must recognize it, and must give consideration to the elimination of those crossings one by one.

I know the Jones avenue crossing is approved. I know that Woodbine avenue is second on the list, and that other crossings are being given some thought. I know the engineers in the minister's department are doing a most efficient job in gathering the necessary information. I know the department is fully aware of these necessities. But my reason for rising today is, first, to endorse the thought behind the bill—although I agree with the hon. member for Eglinton that it is not broad enough. I agree that it has not kept pace with the extra costs involved, and all that sort of thing—and I am not criticizing in that respect. But I am asking through you, Mr. Minister, sympathetic indulgence from your department so as to get some speed on this job and get something done.

If you give us only one of them, I do not care whether it is in my constituency—

Mr. Chevrier: We have given you two.

Mr. Harris (Danforth): Does the minister say we are going to get two?

Mr. Chevrier: I said we have given you two—Royce and Dupont.

Mr. Harris (Danforth): Royce avenue? Where is that? Why, that is twenty-five miles from where I live.

Mr. Chevrier: It is in the city of Toronto.

Mr. Harris (Danforth): I love all the people of Toronto, but I love my own constituents best. I got two? All right. Then I shall take full responsibility for the second one as well as the first one—because if John R. MacNicol were here he would take responsibility for it.

I do not wish to be facetious about this; I am as serious as I know how to be. I am not going to put on record the great advantages enjoyed by this country through having a city of Toronto. I am not going to recite figures showing post office revenue, customs revenue, railway revenue or anything else. I am simply asking through you, Mr. Chairman, that the minister's department give sympathetic consideration to these requirements. But before I finish that sentence I want the minister's department to know that we want some action. We want action, because there has been action in these communities to the point where the population has quadrupled. No doubt the city of

Toronto would pay its fair share. The revenues are increasing all the time in that city.

I know the minister is faced with similar problems all across Canada. But let hon. members visualize half a million people traversing the crossing of the main line of the old Grand Trunk, now known as the Canadian National Railways. Let them visualize half a million people travelling in motorcars every split second of the day and without any protection by way of grade separation. Hon. members will recall that some twenty-five years ago those of us in suburban Toronto stepped aside so as to give the more thickly populated part of the city the advantage of grade separation. I hope there will be no complaint in this day and generation, a quarter of a century later, when we ask for some consideration.

The member for Danforth asks particularly for some consideration in respect of grade separations at Woodbine avenue, at Logan avenue, even at Pape avenue if necessary, and at Greenwood, so as to continue the good work begun twenty-five years ago. Let that work be continued into the suburban area where we live, so that we may protect our people. Not only do we live there, but in that area there have been developed industries to an extent as great as found in any other part of Canada. It is safe to say that two hundred industries have been developed there within the last twenty years. Millions of dollars—quite a few of them from the United States and the United Kingdom—have been spent on industries in that area. We now have a population which is more than quadrupled.

That being so the minister, the board of transport commissioners and other auxiliary services, including those in charge of this grade crossing fund, and who find themselves on the spot, must keep up with the times. All I ask is that those projects the minister has under way be given active and accelerated consideration by the members of his department. Meantime we thank him for what has already been done.

Mr. Weir: Mr. Chairman, now that the hon. member for Danforth has referred to his own constituency which, I think, was done properly, I suggest all hon. members should recognize the problems found in large industrial areas and the thickly populated cities in the matter of having proper facilities for grade crossing purposes, always keeping in mind the object of saving life and moving traffic more expeditiously.

I made reference to this same matter the other day when the bill was in resolution stage, and I would refer to it again now, developing somewhat further the thoughts I presented at that time. I hope that, like the hon. member for Danforth, I may be pardoned if my remarks are brought down to the constituency level. I do this because I believe what I have in mind must apply equally well to many other sections in Canada.

In Manitoba the railways concentrate largely in an area not far from the city of Winnipeg, particularly on the north side of the Assiniboine river. Leading out to Portage la Prairie we have the two main lines of the national railways, both the C.P.R. and the C.N.R. The topography is such that they approach the city from one side and go out the other. The highway crosses both those railways on each side of the city, and these are level crossings. They are hazardous because there is no adequate warning of the approach of trains. On one side we find an electrical stop gate, which works very well; but on the other side, where both railways are criss-crossing the highway, there is no such protection. In fact, the only protection afforded is an ordinary stop sign.

This may be warning enough, in one sense; but it has the effect, if the sign is properly recognized, of stopping all the traffic which comes along. Traffic for miles back may be affected by that stop sign, and it does not get away as quickly as it should when, in fact, there may be no train for miles back. My suggestion is that in the interests of the better movement of traffic something more should be done by means of this grade crossing fund to stop traffic when trains are approaching and not to stop it when there are no trains within some considerable distance.

The other feature I have in mind, one which no doubt affects many other hon. members, is that in this instance the railways are crossing what will be our trans-Canada highway, or what is likely to be recognized as such. So that in the end, while naturally the local municipalities are interested in having adequate crossings, the whole of the province—indeed the whole of the country—is interested in having there some facilities which will make traffic easier and safer. This brings in a new principle in connection with the grade crossings because now the trans-Canada highway is involved. My submission is that in those cases where the railroad crosses the trans-Canada highway, a highway which will be utilized by people from all over the country, the local municipalities should not be required to pay as large a proportion of the cost of any facilities provided as might be paid in other cases. Where it is in the national interest that the crossing should be

eliminated more of the cost should come from federal sources as well as from the province, and not so much from the municipality.

I have no idea of the cost of these things and in the instance I have in mind I am not suggesting a subway or anything like that. I have watched the operation of these electrical signals and I think that would be quite adequate. I submit that this is a matter of considerable importance and I hope it will not be overlooked when we are laying plans for the protection of travellers on our highways and our railroads.

Mr. Smith (Calgary West): Mr. Chairman, like those who have gone before me I have a personal interest to serve when I speak about something in the city in which I live. But I first want to make a suggestion which will not cost the government any money. This is something I have been advocating for a number of years. I refer to the distinction in law which obtains in the United States and in Canada. I am not speaking now so much of the monetary losses that might be suffered by any government or railroad or person; I am speaking of the loss of human life, I am speaking of the injuries to human beings which occur when there is an argument between a railroad engine and a truck or motorcar at a level crossing.

Unless it has been changed recently the general law prevailing in the United States is that of stop, look and listen, while in Canada we leave out the word "stop". The overriding rule of law here is simply look and listen. There are many lawsuits because of accidents at crossing and the usual story is that the whistle was not heard or the train seen because of a bank along the side and that kind of thing. I am not concerned so much about that because anyone who has spoken to a Canadian Pacific or Canadian National engineer no doubt has been told of instances where motorcars have crashed right into the side of a train which was moving across a level crossing. Those are not isolated cases. On the line of railroad with which I am familiar I know that such a thing, hard as it is to believe, has happened again and again.

I do not know under what authority it is, but in the provinces there are laws that vehicles licensed to carry passengers must stop at grade crossings. Trucks stop at grade crossings, and so do the busses carrying school children which are now used in the new scheme of getting children to larger schools. I have never heard from anyone any real reason why we should not have the general rule of stop, look and listen. I repeat that I am not talking about what it may cost the railroad or the man who is injured; I am referring to the injuries which often result in death and which could be almost eliminated if the people could be persuaded to obey that rule. I think they would, once they knew it was a general rule, although it might take time.

If a person stops at a railroad crossing he is likely to look and listen. We would thus do away with the great majority of fatal accidents at level crossings. I am not expecting an immediate answer but I do ask the minister and those associated with him to give this matter their consideration. I intend to go on now to speak about the need for a subway in Calgary, but first I should like to ask the minister if the word "cost" as used in the amendment would cover the damages payable to the occupiers of adjoining properties?

Mr. Chevrier: Yes, it does.

Mr. Smith (Calgary West): I want to join with the hon. member for Eglinton, and I crave your indulgence to be permitted to describe a local situation. I have no doubt that the minister knows that the Canadian Pacific practically bisects Calgary from the east to the west. The main business street is Eighth avenue which is a block and a half from the Canadian Pacific. On Ninth avenue are many wholesale concerns and stores, and then comes the railroad, with Tenth avenue after that. The situation is that there is not only the main line but other necessary switches, and the construction of a subway would be rather an expensive operation.

For example, there is a huge flour mill which would be affected because at present they pull their cars across Fourth street, where it is suggested the subway should be. The net result is considerable congestion, much more than normally would be expected. On top of that, Fourth street west is practically the main lane from the north to the south. It is a heavily travelled artery carrying all sorts of traffic. No doubt the minister knows that heavy traffic prefers a level crossing because they like to avoid the steep grades of a subway. This was more particularly true when we pulled our heavy traffic with horses.

I know that it is largely our own problem. I also know that at that point there are gates which I think have been quite effective in bringing about a decrease in loss of human life and damage to property. The matter I have in mind is the suggestion made that in no case should the amount committed for that purpose be over $150,000. The sum of $150,000 will not go very far in the construction of the subway which I and practically everyone in the city from which I come have

in mind. There are difficulties of grade that may require the raising of the neighbouring avenue slightly in order to get traffic through. I know that for many years we have been endeavouring to get something done. I know that we can get a substantial contribution from the Canadian Pacific Railway Company. I am quite sure they do not want to be bothered with the switching back and forth that goes on there resulting in holding up traffic and at times becoming liable to penalties for keeping the crossing blocked for more than five minutes.

I know that the T. Eaton Company, whose very large store is on this avenue, is ready to contribute. I also know what taxes I pay on my home in the city of Calgary. Before the hon. member for Danforth got a promise from the minister to build five or six subways in the outskirts of the city of Toronto I thought I should raise my voice—I think that is the usual expression—to ask for consideration from the minister in connection with this matter. I see that the mayor of Calgary will shortly be coming to Ottawa, and among other members of the government whom he intends to try to influence in the direction that we hope he may influence them he is going to call on the Minister of Transport. For him I bespeak the best consideration which the minister can give.

Mr. Drew: Mr. Chairman, while we are discussing this section there is one point I should like to mention. In doing so I recognize it involves the type of case where there is a joint interest between the dominion government and the provincial government concerned as to the particular problem. As mentioned by the member who has just spoken, there are many cases where engineers report automobiles driving right into the side of the engine or other part of the train, and there almost seems to be evidence that there was no regard for the fact that there was a track there. I think those who travel a great deal on the highways in any part of Canada know that many roads passing through wooded areas or where there is a rise and fall in the ground approach rail lines with very little advance notice that there is a track there. I do not care how careful a driver is. At the speeds now permitted by the law on open country highways a car approaches a railroad level crossing so fast that often it will be almost on the track before the driver is aware that the crossing is there.

Immediately the answer occurs to one's mind that there are signs on the highways indicating the presence of railway crossings. It is to the question of those very signs that I am directing my remarks because they are a part of the problem of protecting such crossings. Most of them are still in the same places that they were when cars travelled about half the speed they do today. All too often the sign indicating the presence of a railroad crossing is sufficiently close to the crossing itself that, travelling even within the maximum legal speed limit, there is scarcely time for the brakes to operate, particularly if the road surface is wet.

I earnestly suggest to the minister that consideration be given throughout the whole country in co-operation with provincial highway departments to the placing of the signs warning of railway crossings far enough back so that where there is a curve in a highway, a dip or anything of that kind, or in fact under any circumstances, the careful car driver will have plenty of warning that he is approaching a railway crossing. I have seen several crossings on highways in different parts of the country where the most careful driver really did not have adequate warning that he was about to go over a railway track. Perhaps it may be at the lower part of a depression where, with a wet hard-surfaced road, he will have great difficulty in bringing his car to a stop, if there is any possibility of doing so at all. I am simply taking the discussion on this section as an opportunity to urge the most careful and the earliest possible discussion of this subject with the highway department of each province with the idea of assuring the general practice that such warning signals are well back from the crossing in order to warn drivers of the fact that they will soon be crossing a railway track.

Mr. Adamson: Mr. Chairman, there are one or two suggestions I should like to make to the minister on this subject having to do with section 1, the sum of $150,000 and the 40 per cent maximum. That will mean that a grade separation costing $266,667 will draw a maximum of $150,000 from the fund. Anything over that will have to be paid entirely by the railway company and the municipality. Under modern conditions of construction I am afraid we are going to find that grade separations, particularly on densely travelled highways, need a great deal more excavation. Grades, either for bridges or for subways, have to be much more gradual now than formerly because of the higher speed of traffic, and consequently the excavation and frontage used for grade separation necessarily are much greater. Therefore I suggest that consideration should be given to removing the maximum of $150,000, and letting the provision be 40 per cent of the over-all cost. I know of one or two grade separations which are pressing at the moment. I have talked to engineers about one of them, and have been informed that the cost will be in the

neighbourhood of $350,000. Under the present regulations this would mean that the whole amount over $266,667 would have to be provided by the railway and the municipality, which would act as a deterrent to the immediate commencement of the work on the grade crossing in question.

Another suggestion I have for the minister's consideration is this. The province of Ontario has under consideration a program of new road construction, all of which covers the four-lane highways with a separation between lanes, restricted entrance to the highway from side roads, and which involves an expenditure of about $500 million. That will not be spent this year or next year, but that is the program that has been laid out. I suggest to this house that, in view of the tremendous increase in traffic and the enormous amount of new highway construction in the United States, this expenditure is necessary if we are going to provide arterial highways of a size to take care of the volume of traffic which will be debouched into Ontario from the major points of contact with the new United States highways. When grade separation is undertaken on these new roads I would suggest, therefore, that instead of the limit being 40 per cent of the total cost, it should be increased to 50 per cent or 60 per cent. If these new major trunk arteries are constructed, and for the sake of economy during the initial construction they are built with level crossings, the volume of traffic will build up to such an extent that grade separation will later become an absolute necessity, and the cost of dealing with it will be immeasurably greater than if it were undertaken at the time the road is constructed. I suggest it is a matter of true economy to have these roads constructed, wherever possible, with grade separation.

I come to one other point, and that is that I believe the new sections of the trans-Canada highway particularly should be constructed with the grades separated, and the cost of the work should be considered as an item of expense directly attributable to the highway construction. In my constituency there is a condition which exists in that warning signals, wigwags, bells, lights and other sound signals are frequently activated by freight trains, which are either shunting in one end of the yard or awaiting entry into the major freight yard. This condition has two evil effects. As a matter of fact, the board of transport commissioners did a lot of work with the C.P.R. in that connection, and at one crossing in particular, namely, the Dundas street crossing near Islington a remedy has been found. When a wigwag works because a train is standing there waiting to get into the yard, those people who habitually use that crossing become careless. There is a tendency to disregard the signal, because frequently the wigwag is working for a train which has been standing on that part of the track which activates the signal for periods of fifteen to twenty minutes. While I do not know of any specific accident that has taken place because of that condition, it is extremely dangerous. Frequently I have seen motorists cross the track when the wigwag was working without even glancing up to see whether there was a train coming. It is rather like calling "wolf, wolf", and eventually there will be a wolf.

I do not believe the compulsory stop sign is a workable law. I understand that the compulsory stop sign is used in the province of Quebec, but not in the province of Ontario. It is seldom obeyed in those provinces which have that law, and I feel it is possibly not a wise provision because it is merely written into the statute books, and then the law falls into disrepute. I believe that completes what I have to say on this question at the moment, Mr. Chairman, but I want to reiterate what I said before, because the evidence has shown that over 80 per cent of the accidents which have taken place in the last five years in Canada have taken place at unprotected country crossings where the whistle was sounded as a warning. In the urban sections where crossings were protected by wigwags, lights, or other sound signals, the accident incidence has greatly diminished.

I just want to bring that point out because this abolition of the whistle sounding at certain level crossings in my own constituency has definitely and specifically not resulted in any increase in accidents at those level crossings. The board of transport commissioners have insisted that where the whistle was done away with the automatic electric signal should be installed. The net result is that these crossings have a much better record over the past year than they had prior to the installation of the wigwag.

Mr. Chevrier: What I propose doing is to answer these questions on the second clause, if I may.

Mr. Cameron: The riding I have the honour to represent, namely High Park, like the riding represented by the hon. member for Danforth, is one of those ridings in which this problem is acute. The railways come into Toronto mainly from the east and the west, and when they go out to the north of Toronto they also usually go out through the east or the west end. High Park riding or constituency originally comprised part of the town of Toronto Junction, which fact might indicate to you, Mr. Chairman, that it was a railway centre. The railways coming into Toronto from western Ontario mainly come through High Park riding, as also do

those going to the northern part of Ontario. The result is that I, like the hon. member for Calgary West, can say that we have railways running not only east and west but north and south. As a result of that fact we have many situations in which there are level crossings which are a danger to the people living in the riding and to those who come there to do business. I have particularly in mind the crossing at a place known as Junction road and Weston road. It is right where the Canadian National Railways station in west Toronto is situated. It is on the main line of the C.P.R. and of the C.N.R. It is a difficult crossing and one which frequently blocks traffic coming north and south into Toronto.

I have just made a short summary here while I have been listening to some of the debate, and I can easily think of nine or ten crossings which could be given consideration in High Park riding alone. There are four or five of major importance. All of them have been ordered by the board of transport commissioners to be done at some appropriate time although no time limit has been fixed. I am rising to my feet today only to call the attention of the Minister of Transport to the situation in that particular riding. I hope that due consideration will be given to these level crossings in that important part of the city of Toronto.

Mr. Chevrier: Perhaps I might be allowed at this stage to reply to the suggestions and questions that have been put to me by various members who have taken part in this debate. First of all, I should like to tell the committee how greatly I appreciate the co-operation which it is extending on this legislation. Apparently everyone is in favour of the principle of this legislation, and I think everyone is in favour of the two clauses of the bill. From the discussion which took place, both on the resolution and today, I do not think there is any doubt that the bill meets with the approval of hon. members in general. It is true that some members during the previous debate, and again today, have urged that the amount of money for any one project should be increased as well as the percentage. With those suggestions I should like to deal.

The hon. member for Eglinton, the hon. member for York West and perhaps one or two others suggested that, because of the fact that today we live in an era which is far more advanced from the point of view of highway construction and the increase in highway traffic, the percentage amount payable from the fund to any one project should be increased. The answer to that suggestion is that the government has given careful consideration to this bill, has weighed the pros and cons and has decided to leave the percentage where it is, although it has recommended an increase in the maximum of the amount of a grant from $100,000 to $150,000.

If hon. members look at what was said in the debate on the resolution, they will recall that the percentage has been increased substantially since the inception of the fund. At first, when the fund was established, the percentage payment out of the fund for any one project was 20 per cent. Then it was increased to 25 per cent; then at a later date it was again increased to 40 per cent. The maximum payment of $100,000 has been increased to $150,000 because of higher costs of all projects. A greater percentage than 40 per cent, as has been suggested, would quickly deplete the fund. The other day I put on *Hansard* the balance in the fund as of March 28, 1950. It was $363,827. If the percentage were to be raised to 50 per cent or 60 per cent, as has been urged, it might well be that two or three projects would exhaust the fund in any one year. I think that certainly would not be the intention of parliament. The intention of parliament is that, as much as possible, these works should be undertaken not only in one particular section but in all parts of the country.

Mr. Black (Cumberland): May I ask the minister at this point if he has put on the record the number and the location of projects that have been approved by the board of transport commissioners and are now subject to construction in Canada?

Mr. Chevrier: No, I have not.

Mr. Black (Cumberland): Has the minister those figures?

Mr. Chevrier: No, I have not those figures. I could produce them on the estimates. It should be an easy matter to obtain them.

The hon. member for Danforth and the hon. member for High Park spoke with reference to projects in which they were particularly interested in the city of Toronto. I think the hon. member for Danforth stated that while the city of Toronto had been fairly well looked after, it had perhaps not been looked after as well as the ridings of some of our friends elsewhere. I am sure that was not meant in any derogatory sense.

Mr. Harris (Danforth): Oh, no. That is just natural.

Mr. Chevrier: I should like to tell the committee what has been granted in the

province of Ontario from the grade crossing fund as compared with what the other provinces have received. I have before me a statement which indicates the expenditure for protection of highway crossings from 1909 to December 31, 1949. The total for the provinces, not including Newfoundland, paid out of the grade crossing fund amounts to $12,098,000. Ontario received $6,003,000.

Mr. Harris (Danforth): We are glad to have a minister from Toronto, Mr. Chairman.

Mr. Chevrier: I need not go on and give the other figures by provinces. They can be obtained if need be.

Mr. Black (Cumberland): Would the minister give the figures for Nova Scotia now?

Mr. Chevrier: It is $738,116. I should tell the hon. member for Danforth that six applications were made to the board of transport commissioners from the city of Toronto. Two of these have been approved by the board. One concerns the Jones avenue crossing, the estimated cost of which was $700,000, and the other the Royce-Dupont, the estimated cost of which was $645,000. Four applications are now before the board affecting the city of Toronto. One is Dufferin street, another is Symington avenue, another Woodbine avenue, and the fourth Bloor street.

The hon. member mentioned other crossings, as did the hon. member for High Park, in their respective constituencies, but so far as I am aware the applications have not been studied thus far by the board.

The hon. member for Portage-Neepawa made certain interesting suggestions with reference to the railway problem as it affected the city of Portage la Prairie; and he spoke about the fact that electric signs were installed at one end but nothing at the other end for the protection of those persons using the highway at level crossing with the railway. I think if an application were made for crossing protection, either wigwag or some other kind, by that city, the board would be glad to give it consideration. He raised another point concerning crossings of the Canadian National and the Canadian Pacific and the trans-Canada highway. He said he thought that local interests should not be required to pay for these projects as the result would be higher taxation so far as the municipality was concerned. Anything that affects the trans-Canada highway will, I take it, be looked after by the grant that is being made by the federal government to the provinces up to 50 per cent.

The hon. member for Calgary West, as did the leader of the opposition, raised the question of distinction in law as between the United States and Canada with reference to crossing signs. He stated that in the United States there are signs at the crossings which read "Stop, look and listen", whereas in Canada the signs simply state "Look and listen". I shall be glad to bring to the consideration of the board of transport commissioners the suggestion of my hon. friend, but I should like to point out to the committee that there may well be some doubt as to whether or not the board of transport commissioners have jurisdiction to order such signs on highways. Perhaps the board can require stop signs to be erected at crossings, but it is doubtful whether the board can enforce observance by highway traffic because of the jurisdiction of the provinces over traffic.

The hon. member for York West made some interesting and valuable suggestions, which I think I have answered in dealing with the observations of the hon. member for Eglinton. He made other suggestions concerning compulsory stop signs, wigwags activated by shunting and the like, which are really not covered by this section. I did not want to interrupt the hon. member, the leader of the opposition or the hon. member for Calgary West, who were dealing with stop signs, but this is actually a section to increase the maximum amount from $100,000 to $150,000 for any one project.

I think I have dealt with all of the questions and suggestions which were made.

Section agreed to.

On section 2—*Appropriation for highway crossings.*

Mr. White (Middlesex East): I should like to direct one question to the minister in regard to a dangerous underpass on No. 2 highway west of Melbourne, known as the devil's funnel. There have been a good many fatalities there. Every time a fatality has occurred a survey has been made and a lot of talk of improvement has gone on. The underpass is very narrow and it is on a bit of a curve. In view of the fact that they are planning to make improvements to the highway there as well, can the minister tell me how far advanced the plans are, and is it likely that an improvement will be made there this year?

Mr. Chevrier: We are on clause 2, which increases the grant to the fund from $500,000 to $1 million, and really this matter is not pertinent to it; but during the consideration of my estimates I can get the information for my hon. friend. I should say this to him. I would not know at what stage the project is now; and even if the question were in order I do not think I could give him the answer offhand. For instance, I would not know whether an application has been made

to the board, but I shall be glad to look into it and see that the hon. member gets the information.

Section agreed to.

Title agreed to.

Bill reported, read the third time and passed.

AERONAUTICS ACT

AMENDMENTS WITH RESPECT TO POWER OF MINISTER TO MAKE REGULATIONS, ETC.

Hon. Lionel Chevrier (Minister of Transport) moved the second reading of Bill No. 153, to amend the Aeronautics Act.

He said: This bill to amend the Aeronautics Act does not involve any basic changes in government authority or in the policy which the government has pursued in the field of aviation. Experience in the administration of the act during the period of rapid growth of commercial civil aviation since the end of the recent war has, however, brought to light a number of lesser changes and adjustments which if made will clarify the intent of the act and make it possible for the civil aviation authorities to avoid confusion in interpretation and to act with that degree of flexibility which rapid changes in flying require.

It is not necessary at this stage to review all these lesser amendments in detail since they are fully explained in the notes accompanying the bill. I will, however, mention a few of the more important in order to give the house some indication of the main points as well as the general nature and type of the changes proposed.

Part I of the Aeronautics Act represents the original framework of law approved by parliament for the development and regulation of civil aviation shortly after the first world war. It relates to the powers and duties of the government and the minister and, in consequence, of that part of the Department of Transport which deals with air matters and is concerned primarily with technical control; that is, such matters as airport and airway development and technical and safety regulation of all civil flying. It also concerns certain references to national defence in view of the fact that the civil aviation machinery was originally set up within a military framework.

Part II of the act, which was added at a later stage in 1944, provides for the economic supervision and regulation of commercial aviation in such matters as licensing, interrelationships, fares and rates, and describes the powers of the government, the minister, and the air transport board in this field.

[Mr. Chevrier.]

Certain of the amendments in this bill are designed to clarify the relationship between parts I and II by eliminating possible duplication in coverage between the two sections. References to national defence are corrected or eliminated as well, in view of the fact that the necessary coverage in this field is now provided elsewhere.

Another point of some importance relates to jurisdiction over Canadian aircraft or Canadian air services operating outside the territorial limits of Canada. It is obviously desirable that aircraft of Canadian registry and Canadian commercial air services should observe adequate technical and safety requirements when flying outside the country as well as within Canada; and further, that in the general field of regulation of routes, economic policies, fares to be charged and similar matters, Canadian carriers should have some responsibility to the Canadian authorities. This is not a matter of maintaining a pattern for Canadian operations abroad that is consistent with the domestic pattern, but is a matter also of observing the commitments we have undertaken in relation to other governments under the international civil aviation convention and under various bilateral air agreements to which the Canadian government is a party. In the multilateral convention and the bilateral agreements, governments have assumed certain responsibilities with regard to the actions of their own aircraft and commercial air services when in the territories of other countries. In order to carry out these international commitments, the government's jurisdiction over Canadian aircraft and Canadian air services must not only apply within the bounds of Canada but should be general. The bill, therefore, proposes changes in both part I and part II which will satisfy these objectives.

The responsibility for the economic supervision and regulation of commercial air services in Canada is based upon the definition of a commercial air service as an operation for hire or reward. In view of certain doubts that have been cast upon the meaning of hire and reward in this context, a definition of this phrase which will eliminate doubt as to the general definition of a commercial air service is included in this bill.

The sections in both part I and part II of the act which deal with the imposition of penalties for violation of the law have been changed to make them more like similar provisions in other federal statutes, and to provide for somewhat stiffer penalties. This is considered desirable in view of the fact that existing penalties have been found to lack sufficient deterrent value to combat the

seriousness of the offences committed. Fewer violations would occur and fewer prosecutions would be necessary if penalties imposed were somewhat more severe.

Part II of the act grants general jurisdiction over commercial air services, but the new bill would exempt military aircraft from this jurisdiction since these should not be put in the same category generally as commercial air services, even though upon occasion, for example in the air survey field, certain revenue may be received by the R.C.A.F. for the use of military aircraft on federal government work.

The act presently requires the air transport board to make a finding of public convenience and necessity in regard to the establishment of any scheduled air service. One of the proposed amendments will permit the board to waive this requirement in the case of foreign scheduled air services since provision for these services is made on the basis of a government decision through bilateral agreements between Canada and other nations. The additional requirement that the air transport board subsequently find public convenience and necessity before granting a licence to such foreign carrier is inconsistent with the carrying out of the obligations assumed by the government in these bilateral air agreements.

It is also proposed to change somewhat the powers of the air transport board with regard to investigation of possible violations of the law and to its powers to take corrective action without waiting on formal complaints in these matters. This should simplify and make more expeditious the remedying of difficulties.

As I stated above, the other charges in the bill are of a relatively minor nature and need not be detailed at this time. It is my intention, if the house approves, to refer the bill for detailed examination at the committee stage to the parliamentary committee on railways, canals and telegraph lines.

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, the leader of the opposition (Mr. Drew) was waiting to make a few remarks at this stage. Unfortunately however he is now in a committee meeting and cannot be here for a few minutes. Meantime there are two or three points I should like to place before the minister and the house in connection with this bill and, in fact, in connection with the whole plan of administering civil aviation in Canada.

When the amendment to the Aeronautics Act was under consideration in 1944 there was a lengthy review of the situation, and the comment was made that the present Minister of Trade and Commerce (Mr. Howe) was in effect dictator of civil aviation in Canada. *Hansard* for June 6, 1944, at page 3601, shows that I asked this question:

> But if it is administered under this act it will be very directly under the minister. In effect, it makes the minister a dictator in respect of all the airways in Canada, does it not?
>
> Mr. Howe: Perhaps so; but who would you suggest should be dictator?

That was a most emphatic statement, to which I replied:

> I do not think there should be a dictator, myself.

The Minister of Transport has not made clear to the house in his remarks this afternoon what the present position is with respect to control over civil aviation. I believe he now has jurisdiction under the Aeronautics Act, in his capacity as Minister of Transport. But the Minister of Trade and Commerce, in his usual way, has a finger in the pie somewhere; and we would like to find out just exactly where it is. I believe he personally administers everything having to do with Trans-Canada Air Lines, and I am told that at the meeting of the special committee on government-owned railways and shipping he stated bluntly that when there were new routes to be decided, he made the decision—although under the Aeronautics Act, as I read it, such decisions should be made by the Minister of Transport.

For instance, section 3 of the act provides that it shall be the duty of the minister to do various things, among which is the duty to prescribe aerial routes. Obviously it was the intention when the act was amended before that the very drastic controls would be in the hands of the present Minister of Trade and Commerce. Now that he has gone to the Department of Trade and Commerce, we would like to know just what the position is, particularly when he still keeps a firm hold on Trans-Canada Air Lines.

I cannot understand why the Minister of Transport should not be in control of all civil aviation, including Trans-Canada Air Lines. We have this division of authority brought about only because of the dictatorial attitude of the Minister of Trade and Commerce. He has no business controlling Trans-Canada Air Lines. If he is going to do that he should be Minister of Transport, not Minister of Trade and Commerce. However, there is the picture; and before the bill passes we would ask the Minister of Transport to explain this situation.

Another aspect of the Aeronautics Act was discussed at some length in 1944. It had to do with the appeal from the decision as to whether or not a company would get a licence. That appeal is not to the governor in council, it is to the minister himself. At that time it

was to the present Minister of Trade and Commerce (Mr. Howe). That minister had this whole aviation business tied up so tightly that you could not get within half a mile of an aeroplane without his permission. That may be stretching the point a little, but it illustrates my argument. That was the result of the amendments of 1944. As I read the bill before us there is no reduction in that drastic power which rests in the minister.

In fact those powers are being extended because now the minister will have the power to decide with regard to routes to be flown by foreign lines. Apparently the air transport board did have some power over those companies in so far as flying operations in Canada were concerned, but now a provision is to be written into the act to the effect that those companies can be exempted from any control by the air transport board. As I understand it, that means the control will rest in a minister. I have no doubt that that authority will be exercised either directly or indirectly by the Minister of Trade and Commerce because the routes to be flown in Canada will be in accordance with treaties entered into between Canada and other nations. That will mean that he will have a finger in the pie.

Mr. Chevrier: I do not want to interrupt the hon. member's trend of thought, but let me tell him immediately that he is absolutely in error when he thinks that the Minister of Trade and Commerce is responsible for the final decision with reference to appeals. An appeal under the Aeronautics Act is to the Minister of Transport. All the suggestions with reference to the Minister of Trade and Commerce made thus far are not applicable save and except that Trans-Canada Air Lines is responsible to the Minister of Trade and Commerce. The rest of civil aviation is covered by the Aeronautics Act.

Mr. Green: At the moment I was dealing with routes flown in Canada by foreign companies. As I understand it, they will now be subject to agreement between Canada and the particular foreign country, and the air transport board will have no authority. That means that the authority will rest somewhere in the cabinet to decide just what routes are to be flown. That power may not rest with the minister, and in fact it is not clear from the proposed amendment just where that power will rest.

Mr. Chevrier: The power will be with the government to decide the policy in connection with international routes.

Mr. Green: That is where the Minister of Trade and Commerce comes into the picture. He will still be in the government; he will still be running Trans-Canada Air Lines and I am quite sure he will have a great deal to say in connection with routes flown in Canada by foreign companies.

Mr. Chevrier: It will be a sorry day when we lose the advice of the Minister of Trade and Commerce on matters generally, and on these matters particularly.

Mr. Green: The Minister of Trade and Commerce is such a dictator that if he were to step out of the government there would be no government left.

Mr. Fournier (Hull): That is going pretty far.

Mr. Chevrier: That requires no answer.

Mr. Green: It is too true. Another point about which there should be some clarification is in connection with the amendments to section 12 of the Aeronautics Act. Subsection 2 of that section contains the strange provision that no licence shall be issued to persons engaged in other than aircraft transport. The subsection reads:

> No such licence shall be issued in respect of a commercial air service, owned, leased, controlled or operated by any person who is engaged in the transport of goods or passengers for hire or reward by means other than aircraft unless the governor in council is of opinion that it is in the public interest that such licence be issued.

That provision was written into the law in 1944 because the Minister of Trade and Commerce had stated that as a matter of government policy he was going to kick the railroads out of the air business, he was going to take away from the Canadian National Railways the control of Trans-Canada Air Lines, and he was going to take the Canadian Pacific Air Lines Limited from the Canadian Pacific Railway Company and throw them into the Atlantic or the Pacific ocean or both.

At that time the minister had a grudge against the Canadian Pacific and it was the announced policy that no railway company, no shipping company, and I think it went so far as to provide that no trucking company, could go into the aviation business unless the governor in council was of opinion that such a licence should be issued. It was the declared government policy that the railroads had to get out of the air business.

Some of us fought this in the house strenuously. We pointed out that Canadian Pacific Air Lines were flying a route from Vancouver and Edmonton to the Yukon and giving excellent service; also a route along the north shore of the St. Lawrence. We pointed out that there was no one to take over those services. But in spite of all that, the minister repeated time and again that he was going to put the railroads out of the aviation business.

They were given a year after the war to get out of the air. What is the position today? Although that provision is still in the act the Canadian National Railways I believe still own the shares of Trans-Canada Air Lines. If I am wrong in that statement I hope the minister will correct me. Canadian Pacific Air Lines now have the blessing of the government. They are carrying on domestic flights, and in addition have been given a licence to fly transpacific routes. As the policy has worked out, it is exactly the same as we advocated in 1944 when the present Minister of Trade and Commerce (Mr. Howe) brushed us aside with such vehemence. I should like the Minister of Transport to explain why subsection 2 of section 12 is not repealed in the amending statute. It seems to me that provision is contrary to the actual policy of the government at the present time. The policy has been completely changed and yet that section remains in the act. So far as I can see the only use it can have is as a sword hanging over the heads of the Canadian Pacific Railway Company, the Canadian National Railways and any other transportation company which may go into the air transport business.

When the Minister of Trade and Commerce introduced the amendments in 1944 he had a lot to say about the functions of the air transport board. His statement will be found at page 3599 of *Hansard* for that year. He pointed out that the board was to have the power to license aircraft. He went on to say:

> . . . In addition the board will function to advise the government as to ways and means of advancing civil aviation. The board will take the initiative in laying out routes, within Canada and overseas, which promise possibilities of profitable operation and will guide the government in seeing that these routes are operated by Canadians who are capable of carrying out such undertakings.

It would appear that the Minister of Trade and Commerce has now reached the position where he no longer needs any advice along these lines.

Mr. Drew: He has a special source of information.

Mr. Green: He has special connections with a subterranean place. That has to do with the pipe lines bills, however. Throughout his remarks he built up the air transport board as a wonderful body which was going to be at his elbow advising him about routes, finding new routes and getting new companies into the aviation field. In fact they were to be the main body in promoting civil aviation in Canada. Yet in the bill before us today we find that their powers are being restricted. Actually the situation is that the air transport board has never been given an opportunity to carry out the functions which it was intended it should carry out when created in 1944. I am afraid that is because of the overbearing and dictatorial attitude of the present Minister of Trade and Commerce with regard to the whole field of civil aviation.

My final point has to do with the judicial powers of the air transport board. When the amendments were passed in 1944 it was made quite clear that the board was not to be an independent judicial body like the board of transport commissioners. That would never do. Incidentally the board of transport commissioners had been administering aviation before the 1944 amendments, but the air transport board was never given an independent status. Although it acted as a judicial body in so far as applications for licences were concerned, it never had the final say. All its decisions were subject to veto or change by the minister.

Before the bill receives second reading I hope the Minister of Transport will make it clear to the house whether there is any intention to change that position. Is the air transport board to be made an independent body or is it to be still under the thumb of the Minister of Trade and Commerce? I have never been able to see how the board members have a proper chance to act judicially under the present law simply because they were not given any independence and all their decisions are subject to review by the minister. I hope the Minister of Transport will deal with the various points I have raised when he is closing the present debate.

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

Mr. Drew: Mr. Speaker, I propose to speak on second reading. I will merely rise now and take the adjournment.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, the amendments that are before us are amendments that are primarily intended to expand the functions and responsibilities of the board set up by the Aeronautics Act. At the time the amendments to this act were introduced in 1944, there was a great deal of discussion in regard to the structure of the board itself, as to the measure of actual control over the board which the minister was called upon to exercise. It was pointed out that the board would not be a judicial or semi-judicial body exercising independent authority in the manner of the civil aviation board in the United

States, or of other boards of that type. The board, in fact, was really an agency which carried out its functions with the authority and under the direction of the minister.

Many of the statements made at that time, which expressed concern about the possibility of this board merely becoming an instrument of ministerial authority, have not been realized. They have not been realized, not because the dangers inherent in the act were not there, but rather because the board has not carried out the functions which it was intended to carry out at the time it was created by these earlier amendments.

My remarks tonight are directed particularly to my own conviction that the time has come for us to realize that civil aviation in this country has been stifled, and that it has not been assisted by the government in advancing in the way that it should have been. I believe that this is the appropriate time to make certain suggestions, which I do in all earnestness, in the hope that with the amendments which are before us the original purpose of this board, no matter whether or not it was properly planned in the first place, will be carried out in future proposals, to the extent of advancing in every way possible the development of civil aviation in this country and outside of it by Canadian aircraft and air crews.

I did begin to make some comments on this subject on an earlier occasion when we were discussing the estimates. Now that the bill is before us, perhaps I could best continue those remarks. Canada had demonstrated that there is something in the life of our people, something in the way in which we adapt ourselves to great spaces, something in the vitality of our people that comes from the sort of country in which we were born or in which we have come to live, that gives us a special opportunity of leading the whole world in this new type of transportation. Our sights should be high. We should be looking upward all the time we discuss civil aviation. In the first world war, in a completely new means of locomotion and in an entirely new type of warfare, young Canadians showed that they had qualities second to none in the whole world. Not simply to clarify military history but simply to leave the evidence as a permanent record of that fact before our people, it is well for us to recall from time to time that the top pilots of the fighter squadrons of the world were Canadians. It is a good thing for young Canadians today to remember men like Billy Bishop, Raymond Collishaw, Billy Barker and a number of other men who followed close to them, and whose names will forever be recorded on the pages of Canadian history. It was a gallant company.

These men did not let their interests in aviation end with the war. Many of them went out into new and unorganized fields, and created great civil aviation developments here in this country. Men who had taken their part in that war, young men like MacLaren, who in a few months rose to be the sixth ranking pilot in the allied air forces, took their place in civil aviation, along with Roy Brown, Punch Dickens, Wop May, Gilbert McConachie, whose names are all associated with the development of the air routes of this country. Canadians even today hardly realize the extent to which we were pioneers in air development.

The great Eldorado radium mine which played its part in the closing military history of this last war was discovered from the air from a plane flown by Punch Dickens. The great mineral developments of northern Manitoba were actually spotted from the air. Some of the great new developments in northern Ontario and northern Quebec were first seen from exploring aircraft. Aircraft played an enormous part in the discovery of the almost limitless iron resources of Quebec and Labrador. No country in the world has benefited more in a positive and measurable way than has this country from the employment of aircraft in the hands of young and vigorous men of vision and of energy who were prepared to open out new routes and new fields of endeavour.

Then in this last world war once again Canadians demonstrated those same unique qualities. There are hon. members in this house who took their full share in the glorious record of the R.C.A.F. We ended that war with the greatest pool of trained pilots, trained aircrew and trained technicians per capita of any country in the world. We had everything wide open to us. The United States was undoubtedly in the most favoured position, with their enormous numbers of trained men and women and their enormous productive capacity. But next to them, we certainly were in a position to go out and to take the lead in this new means of transport. Whether or not the amendments to the Aeronautics Act of 1944 were well conceived, at least it can be said that in setting up the air transport board at that time and in creating certain authority in the hands of that board, it was quite obviously intended that this, with the guidance of the minister, should be for the purpose of taking advantage of those very opportunities to which I have referred and those opportunities which were so clearly in the minds of our people at that

time with all the activities that were going on in connection with the commonwealth air training program in this country.

Those opportunities have not been developed as they should have been developed. I say this now not for the purpose of criticizing what is past but with the hope that we shall recognize the enormous opportunities we have; that, with whatever amendments are made, the original intention of the air transport board will be carried out; and that we shall as a nation extend our air activities so that we may occupy in this new means of transport that position of leadership which our own native qualifications as a people make possible and which geography has offered to us with very special advantages.

Every young Canadian should be trained to look at the world by examining the circular globe instead of a flat map. If they get their idea of geography with a clear impression of our extraordinary advantages in air transportation, perhaps our people will realize the extent to which we have opportunities open to no other nation in the world. The shortest routes from New York or Chicago to Tokyo, to any great city of China, to Melbourne or to any of the cities of the east, lie through Canada. The shortest routes to London, to Paris, to Rome, to Berlin—yes, and to Moscow—are through Canada. East and west, geography has placed us on the main air routes of the world. We should be putting all the energy and initiative that we possess into the development of air routes out to those distant points—to South Africa, to South America and to every part of the world —so that Canadian aircraft may be known in every great airport where the commerce of the air moves back and forth.

This is no uncertain dream. This is no loosely optimistic expression of hope. This is something that can be done. We have seen how other people have done it. Holland, a tiny country across which fast aircraft can travel in from an hour to an hour and a half, ended the war during which it had been occupied by the forces of Germany with no aircraft of their own, and with relatively few trained pilots. Today they have a company which is the third air transport system in the world. The Dutch KLM is today flying air routes of 75,000 miles as against total air routes under the largest Canadian transport organization, Trans-Canada Air Lines, of 16,000 miles. The thing which should make every Canadian think today is the fact that a large part of the expansion of those activities of KLM was carried out by young Canadians, because a large percentage of the pilots and technicians of KLM, which is known in every great airport of the world, are Canadians who went there to use the special skill they had gained during the war or in the days immediately after. Everything that we do as members of parliament should, I believe, be for the purpose of unleashing the unbounded energy of our vigorous people in this special type of transportation for which we are so unusually qualified. What we should avoid, what we should fight against in every way we can, is anything of a restrictive nature which denies to young men and women of vigour and of vision the opportunity to extend the development of this great transportation system which we can build. For that reason we should examine more carefully what the functions were that the air transport board was supposed to carry out, and what has actually happened since that time.

The amendments now before us are intended to increase the opportunity of the board to do certain things which will be to the advantage of civil aviation in this country. It is intended to extend the power of the board:

> To undertake, and to co-operate with persons undertaking, such products, technical research, study or investigation as in his opinion—

—that is the minister's opinion—

> —will promote the development of aeronautics in Canada.

It is also intended to extend the power of the board:

> To take such action as may be necessary to secure, . . . rights . . . in international air traffic.

It is also intended to extend the power of the board:

> To investigate, examine and report on the operation and development of commercial air services within or partly within Canada or the limits of the territorial waters of Canada.

It is also intended to extend the authority of the board to recommend regulations which will be adopted by the government for the control or operation of aircraft registered in Canada wherever such aircraft may be. There are a number of other amendments to this act which come in the early part of the bill now before us. That sounds very well; naturally hon. members will feel that the extension of these opportunities will be of advantage to the board. But it would be well for all of us to remember that the board has not been exercising the functions which it was intended to exercise. One of the reasons for that became fully apparent in the evidence which was given recently before the committee on railways and shipping, where evidence was taken in regard to the activities of the Trans-Canada Air Lines. Just as an example of what I mean I would recall that

when we were seeking to ascertain the manner in which Trans-Canada Air Lines opened up new routes, we learned that Trans-Canada Air Lines did not decide what new routes would be taken. The Minister of Trade and Commerce (Mr. Howe), not the Minister of Transport (Mr. Chevrier), made it quite clear that the decision in regard to new routes was under his direction, and in one of the typically forceful expressions that he is given to making from time to time he left no doubt about it that that was his responsibility.

Mr. Chevrier: While I am a member of the committee on railways and shipping, I was not present on the occasion to which my hon. friend refers, but the information I have—I wish my hon. friend had the evidence—is that the Minister of Trade and Commerce did not make that statement. He said that it was the responsibility of the government to decide new T.C.A. routes, and it was the policy of the government to do that.

Mr. Drew: I quite agree with the minister that he said it was the responsibility of the government, and I shall be very happy to make the exact reference to the evidence, but I point out that in explaining the way it was done the Minister of Trade and Commerce left no doubt whatever that he was the one whose views would be considered in that respect. After all, that is the very point I wish to make. We have this extraordinary situation, and I did mention it the other night. Actually I have been hopeful that the government would take some action in regard to this unusual situation. The Trans-Canada Air Lines is not an independent publicly-owned organization. The Trans-Canada Air Lines is a fully-owned subsidiary of the Canadian National Railways. It is an organization in which the total holding of securities is in the hands of the Canadian National Railways.

To a very large extent the directors of the two organizations are the same men. Yet we have the situation that while the parent organization, the Canadian National Railways, is under the ministerial responsibility of the Minister of Transport, the wholly-owned subsidiary, the Trans-Canada Air Lines, is under the Minister of Trade and Commerce. That is not an argument as to the relative merits of the Minister of Transport or the Minister of Trade and Commerce. We, after all, are dealing with an act of parliament, a bill which is presented to us for consideration, which does not deal with individuals as individuals, but establishes a legal structure under which any minister, whoever he may be from time to time, must carry out the responsibilities assigned by that statute.

Under this bill now before us a board is set up which has the supervising authority over civil aviation. That board is under the Minister of Transport. That board is charged with the responsibility of investigating new routes, carrying out investigations and explorations for the purpose of extending the activities of our air services, not merely the chosen instrument, Trans-Canada Air Lines, but all air services; and nevertheless you have the situation that the minister in charge of Trans-Canada Air Lines, the chosen instrument in the domestic field and externally, is under the Minister of Trade and Commerce; whereas the Minister of Transport is not only the minister responsible for the parent organization, the Canadian National Railways, but is also the minister under whose authority the air transport board is bound to act, under the wording of this statute.

That can only cause confusion; that can only cause unnecessary duplication of discussion and duplication of representation, because you have the same men dealing with the Canadian National Railways on the one hand going to the Minister of Transport about their problems in relation to the railways, and incidentally their problems in relation to their subsidiary, Trans-Canada Air Lines, and you have the same men, or very largely the same men, called upon to go to another minister to discuss the problems of Trans-Canada Air Lines, the subsidiary, in regard to the very subject matter that by the Aeronautics Act is placed under the board, and the supervision of the minister in relation to that board.

I am convinced that part of the reason Canada has not extended its air activities as it should lies in the frustration created by this severance of responsibility. Whether it be the Minister of Trade and Commerce (Mr. Howe) or whether it be the Minister of Transport (Mr. Chevrier), I am satisfied that good business sense suggests that it should be the same minister dealing with these two organizations which are interrelated in their legal structure, two organizations which very largely have the same directors, two organizations in which the officials perform in a number of cases the same functions. These two organizations should be brought under the same minister, whoever that minister may be.

Then if we do that, and the same minister in turn is the minister responsible for the activities of the air transport board, you have an integrated organization which can direct all its activities to the development and the extension of civil air services in this country. I would of course emphasize the fact that it is civil air services we are speaking

about, because the military services are under the Department of National Defence, outside the field of this discussion.

It is not only in the air services out to the distant points of the world that we have failed to take advantage of the great opportunities we possess; it is also right here in our own country. Look at the air map. Look at the routes, and you will see that we have a single trunk line across the country. We have only a few lines running north and south—very few. We have none of those feeder services which today are an essential part of the full development of any great trunk system of air transportation.

Do not let anyone try to tell the Canadian people that we have not opportunities—great opportunities—for feeder services here in this country that we are not using today. Look at the British isles, and see how small they are when compared with the size of this country. Yet they have feeder lines running out from the large airports at London and Glasgow and all the other cities of England, Scotland, Ireland and Wales. Those lines not only supply a service to the people in those communities who wish to fly only short distances, when compared with our distances here, but they also provide additional passengers for the trunk routes flying to different parts of the world.

In Ontario and Quebec today there are well over eight million people; that is a substantial population. It is a population that is fairly well concentrated in those two provinces. There are tremendous opportunities for feeder lines in connection with the smaller cities, and to the airports which already exist as a carry-over from the war. Applications have been made for opportunities to operate those feeder lines. Such feeder lines would not only give a convenient service to those municipalities, and a new service to them, but they would feed passengers to Trans-Canada Air Lines and other trunk services as well.

The same is true in all of Canada. There are places where short runs are being made, and being made successfully. For instance, in the maritime provinces we find Maritime Central Airways.

Mr. McLure: The best feeder line in Canada.

Mr. Drew: I was just going to say that it is one of the most successful, if not the most successful feeder line in Canada, operating south to Fredericton and Moncton, and over to what we are told is the most beautiful city in Canada, the city of Charlottetown. It gives a type of service which not only affords an advantage to the various places it serves but also brings large numbers of passengers to Moncton to get aboard the Trans-Canada Air Lines service going both ways.

This should be encouraged. It should be an openly declared policy that private feeder lines will be encouraged where they apply. There should be no dog-in-the-manger attitude, that routes which cannot be operated by Trans-Canada Air Lines will not be operated at all. I hope no statement will be made based upon the question of the extent to which formal applications have gone. I am sure those associated with the air transport board are well informed in regard to those companies which have sought to operate these feeder services. But in most cases they were told that as a matter of policy it was not likely that they were going to be able to get ahead with that service. And for that very reason the formal procedure may never have been carried past that point. We have in this country, right across Canada, a number of organizations which are ready to carry out feeder services of this type in a way which would be helpful not only to the country as a whole but also to Trans-Canada Air Lines and to Canadian Pacific Air Lines on those main routes which they operate.

Although I do personally believe that the air transport board is wrongly constituted, and although I believe that it should be a semi-judicial body like the civil aeronautics board in Washington, not under the direct authority or direct instruction of a minister, but rather as an independent body passing judgment on applications with an even measure of consideration for all applicants, whether they be public or private organizations, nevertheless I recognize that the question of the constitution of the board is not actually before us in connection with these amendments. Therefore I leave the matter there.

However, I do raise these questions now, because I believe that this is the time, when we have before us these amendments extending the responsibilities of the air transport board, to say we believe that Canada can lead the whole world in developing this new type of transportation, if only opportunities will be thrown wide open to all who can use their knowledge and initiative in giving a service of this kind.

I would hope that, far from taking in a sense of criticism these remarks about the division of authority between ministers, the government would accept these suggestions as helpful, and that it will realize that we can go far ahead of the point we have reached if we are prepared to streamline these governmental services in every way, and bring the

functions of the air transport board, the government air service, and all other organizations of that type under one minister and under one board—and then, in doing that, to have a declared policy of wide-open development of air services in this country.

We are not now arguing as to the merits or demerits of the chosen instrument of policy. The people of this country have accepted the fact that there should be a chosen instrument, the Trans-Canada Air Lines. But with the acceptance of that policy there should also be an insistence that because a chosen instrument has been set up the desires to advance the interests of that chosen instrument should not be a deterrent to the development of private enterprise in the way of feeder lines or trunk lines where such trunk lines will be to the advantage of this country.

I hope that, with these widened opportunities, with the increased measure of authority contemplated by the government, the government will now declare that we are going to extend air development in Canada in every way we can so that every community which can be served by air transportation will be served and that the aircraft of Canada will fly to every great airport throughout the world where air routes can be developed to the advantage of this country and to the extension of our commercial services.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I should like to say just a few words which will be addressed to the points made by the leader of the opposition (Mr. Drew) at the beginning of his remarks. I should like to echo what the leader of the opposition said as to the challenge and opportunity which is afforded to us by this new and wonderful means of transportation. A year ago I happened to be at Gander airport. One could not be there for very long, no matter how little one liked flying, however pedestrian one was by nature, without his imagination being kindled by finding there in a rather remote part of Newfoundland what could not be described otherwise than as one of the great crossroads of the world.

As the leader of the opposition has already indicated, in that great station there you will find offices of the Dutch air lines, the French, the British, the United States and many others. You meet every kind of people. There I met a journalist who said he could make a living just writing stories about the variety of people who come through that airport. I could certainly believe him after seeing those whom I saw there at that time.

Another point I should like to make is the aptitude of our own men for flying. I remember talking to a British air official early in the last war who mentioned some things which interested me a good deal. First of all he stressed the fact that our men excelled in the air. He said, "You know, your boys seem to have some special advantages. I think driving motorcars along your long straight roads has given them a sense of space and distance which perhaps the young men in England do not get." Then he said another interesting thing. "Every Canadian seems to be not only at home with engines but to be always prepared to rely on his engine. When he gets into a plane he seems to think that the engine is going to do everything he wants it to. Canadians have this feeling far more than our own young Englishmen." However, let no one suggest for a moment that the English flying men do not also excel.

There is another thing that comes back to me from the first war. I was at Salisbury plains in the autumn of 1914. All those who were there will remember those strange monuments at Stonehenge, but there were also other monuments there. A great deal of pioneer flying took place at that point and there were many monuments dedicated to the memory of officers killed while flying. One could not help but feel he was witnessing the evidence of sacrifices made by the pioneers. Many of the men who flew in this war felt that they would not have left the ground in the machines flown in 1914. At that time their only offensive weapon was a rifle, and many of them made what use they could of it as such. For photographic work they just took up an ordinary camera and used it over the side of the plane.

I had not intended to speak but the words of the leader of the opposition brought these things back to my mind and I just wanted to echo what he had said. I must confess that I hate flying. Every time I step out of a plane I do so with relief. But nevertheless when I see an airport like Gander, which in a real sense is one of the crossroads of the world, I cannot help but feel how wonderful an opportunity and challenge this new means of transportation offers to this country.

Mr. Rodney Adamson (York West): Mr. Speaker, I shall speak briefly as one who did a fair amount of bush flying before the war. The debt of gratitude that this country owes to those bush pilots can never be adequately understood or repaid. To give you an example of the importance of the job they did in one or two years before the war may I say that the tonnage of freight moved by air from Osisko lake—now renamed Lac Trémoy—near the great mining centre of Noranda for a considerable period exceeded the tonnage of freight being shipped from the airport then serving New York, which was the

Newark airport. Almost every fifteen minutes an aircraft came in or took off at that great mining area.

The aeroplane built northern Quebec. Those pioneers who flew what they contemptuously called "crates" developed the great extension of the pre-Cambrian shield which some of us think starts at Porcupine and goes right through to Bourlamaque and the great Sullivan area in Quebec. That area is just beginning to reach its maximum development, and I venture to say it is richer in the variety of minerals than any other area in the world.

I shall never forget the first time I flew away from that dock in an old Stinson plane. We flew in the first boiler sent to one of the mines in the Siscoe area. Not only did we fly the boiler, we also flew another most important part of a mining company's assets, the first cook. The cook had a small child and the only place to put the child in the aeroplane was in the fire box of the boiler. That is how the first boiler and the first cook left that lakeside aerodrome and were flown to a mine which has subsequently developed into quite a gold producer. These are the stories—and that is not a particularly good one—of the twenties and the early thirties. We must remember that the great Noranda mine was only brought to fruition about 1926 although the ore body had been known for some time before. That coincided with the development of the area which was quite impossible without the aeroplane. Now I believe there are very few aircraft leaving that base because of the fact that there are roads and there is a railway. The important part is that the policy of the present and the previous administrations has been so discouraging to the prospecting industry that speculative prospecting has almost ceased to exist. True, there are the big companies.

The Acting Speaker (Mr. Beaudoin): Order. I must inform the hon. member he is not quite in order. I know he wants to pay tribute to the bush pilots but I would ask him to keep more closely to the subject under discussion.

Mr. Adamson: Thank you, Mr. Speaker. I merely wanted to point that out because as to the Aeronautics Act, about which I am speaking at the moment, I have on frequent occasions in the house taken issue with the Minister of Trade and Commerce (Mr. Howe) on the policy of a chosen instrument. I took issue with him in the beginning when he wished to divorce air lines completely from the railway companies. Fortunately he and the government have changed their minds in that regard. He took the position he did because it was not the policy of the United States to have air lines and railway companies working together. Our conditions and problems in air transport are completely different from those of the United States. It is a most important thing to have the railway companies and the air lines working in co-operation rather than in opposition.

I merely want to add my remarks to those of my leader. Canada has led the world by flying where nobody else could fly. The strange native ability of the Canadian to take to the air is a phenomenon which I do not think the post-war generation fully understands. The problems we face today in the development of our north country, that great part of our country which is not suitable for either agriculture or forestry, depend for their solution on the aeroplane. As I have said, we have seen the gradual shrinkage of the small independent operation caused by policies which I have mentioned but which I will not go into in more detail. I suggest to the minister that our future depends on producing the things which the world must have, metals, the produce of the mines. Unless we have a more liberal—with a small l—policy as to aviation we are not going to carry on the development of our country in the way that the pioneers developed it before the war.

I should like to say a word as to KLM. KLM, largely officered by Canadians, is a prosperous, profitable organization. In this Canadian nation there must be, Mr. Speaker, a genius for flying which makes it possible to fly not only to inaccessible but also to accessible places under great competition, and to do so commercially and profitably.

Mr. G. F. Higgins (St. John's East): Mr. Speaker, I do not intend to delay this measure to any great extent. I enter the debate merely for the purpose of posing a question to the minister. I refer to the advisability of continuing the trans-Atlantic service of Trans-Canada Air Lines. We are all aware of the fact that the Canadian mercantile marine has had all government support withdrawn from it, and that the ships of the Canadian mercantile marine were the flag carriers of Canada. We are also aware of the fact that Trans-Canada Air Lines is losing money on its north Atlantic service. We are aware also of the fact that the major American air lines are losing money on the north Atlantic crossing. We are aware also of the fact that one of the major air lines, American Overseas, has within the past twelve months endeavoured to sell out to Pan-American its transatlantic service. That being so, Mr. Speaker, and apparently there being no possibility in the

immediate future of transatlantic air travel paying, are we to think of maintaining our pride in Trans-Canada at very considerable expense? I merely pose that question to the minister, and leave it at that.

The Acting Speaker (Mr. Beaudoin): I must inform the house that if the minister speaks now he will close the debate.

Mr. Chevrier: I have listened with keen interest to the debate which has taken place on the Aeronautics Act, both this afternoon and this evening, and I think that some good will be derived from the discussion. I am at a loss to understand some of the statements, which I want to deal with generally, and in some cases in detail. For instance, the leader of the opposition (Mr. Drew) says that we are not going far enough; we should expand air services across Canada and internationally. The member for St. John's East (Mr. Higgins) says we should go slowly, because it is going to cost a tremendous amount of money. I shall deal with that a little later. The hon. member for Greenwood (Mr. Macdonnell) smiles and laughs, but that is his privilege. Let me tell him that the policy of the opposition thus far has been to complain bitterly about government expenditure. The policy of the opposition, in this session at least, has been that we are spending tremendous sums of money, and I presume that if we are to do all the things the opposition wants us to do we cannot do them without the expenditure of funds. In other words, you cannot have all these advantages that many of us would like to have without a considerable cost to the taxpayers of Canada.

I should like to put on *Hansard* a brief statement of the development of the Aeronautics Act, before dealing with the criticisms and suggestions that were made.

Mr. Fulton: Why did the minister not do that before so that we could deal with it in debate?

Mr. Chevrier: I did make a statement; that was the first thing I did.

Mr. Fulton: Why is the minister making this one now?

Mr. Chevrier: In reply to the criticisms made by the opposition. I was going on to say that the Aeronautics Act, which was passed in 1919, dealt generally with the powers and the duties of the minister. Then in 1944 the act was amended and divided into three parts. The first part was substantially the act of 1919; the second part established the air transport board and gave authority, under the minister, to license commercial air services and regulate them; and the functions and powers of the board are set out more particularly in that part. Part III of the act dealt purely with technical matters regarding the tabling of regulations and the superannuation provision. I make that general statement, because I think it might serve some purpose in the remarks I have to make in answer to some of the charges that were made against the government.

The leader of the opposition and the member for Vancouver-Quadra resumed an old feud which they have with the Minister of Trade and Commerce (Mr. Howe).

Mr. Green: I have not any feud at all.

Mr. Chevrier: They state that the responsibility for T.C.A. should be with the Minister of Transport and not with the Minister of Trade and Commerce. The leader of the opposition made representations the other evening, and again tonight, that T.C.A. should be responsible to the same minister as the one who is responsible for the Aeronautics Act. I think I indicated in answer to a question asked by the leader of the opposition that the government had decided, under the assignment of duties act, to give to the Minister of Trade and Commerce full responsibility for Trans-Canada Air Lines. There is nothing abnormal about that procedure. There is nothing illogical about that procedure. It does not make for duplication of services as outlined by the leader of the opposition and other speakers. It does not make for irresponsible operation, because there are other operations of government which are in the same category and handled in the same manner. I can think of the C.B.C., which is not responsible to the Minister of Transport but to the Minister of National Revenue (Mr. McCann). There is the national film board. It might be responsible to the Minister of Transport or the Minister of National Health and Welfare (Mr. Martin). The government has seen fit to make it responsible to another minister.

Mr. Macdonnell (Greenwood): Would the minister permit a question?

Mr. Chevrier: I do not want to be interrupted, but I shall answer the hon. member's questions after I have completed my remarks, if I may be allowed. After all this is not a debate in committee; it is a debate on the principle of the bill with the Speaker in the chair.

I say, therefore, that these duties concerning Trans-Canada Air Lines were assigned to the Minister of Trade and Commerce in no wise differently than in the case of many other bodies under government jurisdiction. I do not see any difference between the operation of T.C.A. being under the Minister of Trade and Commerce and the operation of

Canadian National Railways being under the Minister of Transport. I see no difference between that and the national harbours board, for instance, which is a government agency responsible to a minister; or again the Canadian Commercial Corporation, which to me seems to be along the same lines. I cannot see how that arrangement hampers in any way the efficiency of Trans-Canada Air Lines or of the operation of the Aeronautics Act. I cannot follow the argument because, in one word, if T.C.A. were made responsible to the Minister of Transport there would be no difference in the operation of the air line. The Trans-Canada Air Lines, is a wholly-owned government subsidiary of the Canadian National Railways, if you will, with full powers to operate along certain lines given in its charter. There would be absolutely no difference, if that change were made, from what is now in effect under the present arrangement. Having T.C.A. responsible to another minister does not in any way, I submit to the house, hamper the efficiency of its operations, because it is the government which decides the policy, with regard to both civil aviation generally and the T.C.A., and both the government and T.C.A. make full use of the advice which the air transport board and the civil aviation staff give it in dealing with matters of policy such as these.

I want to complete, if I may at this stage, dealing with the statement made by the leader of the opposition and then to come back to the statements of the hon. member for Vancouver-Quadra. The leader of the opposition made an indirect suggestion or an implied suggestion which was not terribly strong, although it was more affirmative than it was the other evening, namely, that the government had not sufficiently fostered the development of civil aviation, that duplication and separation had hampered development of private aviation, and that there were not the number of private services that we should have or that we were entitled to.

I say to him and to the house that that statement is not accurate. I say to him that that statement is far removed from the truth. There is an extensive network of services. I see the leader of the opposition coming in now. I was attempting to reply to the second point he made in his statement, where he intimated by inference —although not terribly strongly at the beginning, more strongly toward the end— that the government had not sufficiently fostered the development of civil aviation, and that duplication and separation had hampered development of private aviation so that there were not the number of private operators that there should be. Before the hon. gentleman came in I was making the point that that statement was not according to the facts and that that statement was not accurate.

Mr. Rowe: According to your estimate; not according to the facts.

Mr. Chevrier: I see the hon. member for Dufferin-Simcoe (Mr. Rowe) does not like the kind of speech I am making, and therefore I get these interruptions which are hard to follow and even harder to understand.

Mr. Rowe: I am not intrigued with it.

Mr. Chevrier: I am making the statement now that there is an extensive network of services covering every area of Canada, over the most remote regions and areas of our country. Some of these services are scheduled air lines; others are non-scheduled and secondary air lines; and still others are charter services which operate from a fixed base covering the whole surrounding area without any regular route pattern. In fact, I have before me a statement which indicates that there are no less than some 650 licences granted as of this day to the various kinds of air carriers that I mentioned a moment ago, some of them scheduled air carriers, others non-scheduled, others charter air carriers, others flying clubs, and others specialty air carriers.

Mr. Drew: I do not want to interrupt the minister, but he is not suggesting, is he, that flying clubs can be regarded as charter service or route services?

Mr. Chevrier: No. Flying clubs are not regarded as such services. If I conveyed that impression, I should not have done so. I have a list of the charter services which I could give, but I do not think the house is interested. The development of private operators has proceeded at a far more rapid rate of expansion than the leader of the opposition led us to believe the other evening and again this evening.

Let me make a statement of today's position. There are at the moment some 200 operators. Some of those operators have more than one licence. About half those are small charter operators and the assets of those 100 operators were valued in 1948 at $6,300,000 as compared to 1945 when the value was placed at $434,000. That in itself shows a considerable development in this division of the air transport industry. The development of this group is also reflected in the number of employees, which increased from 128 in 1945 to 648 in 1949. Payrolls for salaries and wages increased in even greater proportion, from $200,000 in 1945 to $1,630,000 in 1949. Total passenger miles increased from 774,000 in 1945 to 7,866,000 in 1949. The

carriage of goods to places otherwise difficult of access is reflected in an increased ton mileage, from 31,000 in 1945 to 754,000 in 1949. Mail services to remote areas also show substantial advances, from less than 2,000 ton miles in 1945 to over 12,000 ton miles in 1949. Total mileage flown in 1949 by 304 aircraft was 12,194,000 as compared with 841,000 in 1945 by only 26 aircraft. That in itself gives some idea of the expansion which took place in the field of civil aviation.

Private operators other than C.P.A. had gross revenues of less than $1 million in 1945 and today they have gross revenues of from $7 million to $8 million, which is a rate of increase far greater than that of T.C.A.

These services are expanding as rapidly as the economic position of the country will allow, and this without subsidy. That is something of which the country ought well to be proud.

The leader of the opposition seems to be of the opinion that this act is expanding or increasing the functions of the board. I put on record a statement indicating that the object of the act was to clarify the responsibilities of the board. In fact, we are not expanding the responsibilities; we are in one instance taking away some of the responsibilities of the air transport board.

The leader of the opposition says that civil aviation is being stifled in Canada, and he referred to what he thought should be done. I disagree strongly with that statement. I think that civil aviation, both within and outside Canada, has developed tremendously; it has developed by leaps and bounds in the post-war period and again within the last year. The leader of the opposition says, "If you look at a map of the air routes of Canada, you will be surprised at the lack of aerial routes in this country." I have a map before me now. I say just the contrary to what the leader of the opposition has said. Practically every part of this country is covered, in some form or another, by aerial routes today. There are the great Trans-Canada Air Lines operating from one end of the country to the other; air routes going north and south; and not just a few, as suggested by my hon. friend, but many feeder lines going into the northern part of Alberta and Saskatchewan, into northern Manitoba, up into the Northwest Territories, then on the coast of British Columbia and again in Quebec and the maritimes.

This map indicates to me that there has been considerable expansion. If my hon. friend means that the expansion has not been nearly that which he would like to see, and that which we would all like to see, I agree with him, because as a matter of fact I would like to see private domestic and T.C.A. routes and international routes taken on in far greater numbers. But we must have regard to the economic position of the country. We must not forget that these services are not directly subsidized as they are in the United States. We must not forget either that we cannot have a curtailment of government expenditure, as my hon. friend has been preaching and as he would want the government to practise, and still have these services both in Canada and outside Canada expanded, because it takes a tremendous amount of money, as my hon. friend knows, for the expansion of domestic and international air routes.

Again with reference to the question of expansion, I wish to deal with the two international air agreements which were entered into between Canada and the United States, and Canada and the United Kingdom, by which international aviation was expanded tremendously. Because of our agreement with the United States we received, over and above the routes which we already had, three new routes, a new trans-border route between Montreal and New York; a new route for C.P.A. between Canada and Australasia by way of Honolulu; a new route between Canada and the Bahamas by way of Tampa-St. Petersburg. These are expansions which were due in large part to the survey work done by the air transport board.

Then again our air agreement with the United Kingdom gave us several new routes and traffic stops which we did not possess heretofore. Because of this agreement, which was signed in August of 1949, less than a year ago, Trans-Canada Air Lines on its service to the United Kingdom from Montreal and Gander will be able to carry traffic between the United Kingdom and Ireland, the Azores and Iceland.

Canada, furthermore, because of that agreement, is given full traffic rights at Hong Kong, a new route which is operated by C.P.A. from Vancouver through Alaska, the Aleutians to Japan, China, Hong Kong and beyond. Some few days ago I announced that consideration was being given to an intermediate route because the United States defence forces were contemplating closing down the Aleutian base at Shemya.

Mr. Green: Is that still the position? They are closing that base?

Mr. Chevrier: I am not aware as yet of any change in the position from the statement I made the other day.

Then Canada now has full traffic rights at Fiji on its route from Vancouver to Honolulu

and on to Australia. Again Trans-Canada Air Lines' position with reference to the Caribbean has been advanced tremendously, particularly on its route to Bermuda and the British colonies. It has been granted additional rights at Barbados, Antigua and British Guiana. Surely the leader of the opposition could not have had these in mind when he said that aviation is being stifled in this country. I think aviation is advancing—perhaps not as rapidly as we would all wish—but certainly in accordance with our economic position.

If there is to be a greater and a faster expansion the question arises as to who is to pay for it, if it be not the taxpayer of this country in some form or another.

I was making the argument when the leader of the opposition was not here that there seems to be variance among the members of the opposition with reference to aeronautics generally. By that I mean that some of the policies advocated by one member are in contradiction to those advocated by another. The leader of the opposition seemed to state that we were not going far enough or fast enough; whereas the hon. member for St. John's East (Mr. Higgins) asked a question which indicated that we were going too fast, and that the cost of expansion of T.C.A. services was too great.

I should like to deal more briefly with the remarks made by the hon. member for Vancouver-Quadra (Mr. Green). I am sure he will pardon me if I do not deal too extensively with those remarks. The hon. member repeated some of the arguments made by his leader, particularly those having to do with responsibility of T.C.A. and air services generally to one minister, and I shall not repeat my answer to that. But he criticized ministerial powers over the board. I would like to say to him that the ministerial powers apply to the licensing function of the board, and not to its general economic and administrative regulations with reference to carriers. One thing that must not be forgotten is that even the routes which are assigned to T.C.A. are approved by the government and not by any one minister.

The hon. member stated, as did the leader of the opposition, that the Minister of Trade and Commerce (Mr. Howe) decided the T.C.A. routes. I have to repeat here what I said before. While I am a member of the committee on railways and shipping, I was not present when the statement was made. I would be surprised if it was made in the language that the leader of the opposition suggested it was made; but my information is that the committee records will indicate that the Minister of Trade and Commerce said the government decided what routes were to be operated by T.C.A.

Mr. Macdonnell (Greenwood): Don't you remember he said that Polymer was his enterprise?

Mr. Chevrier: We are dealing with T.C.A. now. In fact that is what the Trans-Canada Air Lines Act provides, and it is a fact that the government also decides the international routes.

It was suggested by the hon. member for Vancouver-Quadra that a portion of the amendment which permits the board to exempt international scheduled carriers from a finding of public convenience and necessity is an undesirable limitation. Well, in fact, it is merely a simplification of the procedure for formal licence of such carriers in the United States. I think in fact the leader of the opposition made the same argument when he said that the air transport board should be an independent body just as the civil aeronautics board is in the United States. I would have some doubts about that position because we saw what the position of the civil aeronautics board was with reference to an application by T.C.A. which was before it for months before a decision was rendered. I think it would not be an effective procedure to have a finding of public convenience and necessity, when the government decides what the route to be followed is by virtue of an international air agreement. That is the position in Canada. We would like to remove that finding of public convenience and necessity in so far as that aspect is concerned, because we think that procedure would operate more effectively otherwise. There were a number of other suggestions, but I do not think it opportune to go into them at the present time. Perhaps there will be opportunity when we have discussion of the act, section by section, in committee.

Mr. Green: What about section 12(2)?

Mr. Chevrier: The hon. member did make reference to that, and perhaps I should deal with it. He said he could not see the reason for the existence of section 12(2). I say to you, Mr. Speaker, that in making that statement I am entirely out of order, just as the hon. member for Vancouver-Quadra (Mr. Green) was entirely out of order when he made the suggestion. However, I suppose I should be allowed to reply to him. Much of the discussion which took place this afternoon was out of order, but I hesitated to bring it to the attention of Mr. Speaker, lest it might be thought I wanted to discourage debate.

It may be thought at first blush that the section under discussion should be removed. However, I should like to hear what the officers of the air transport board would have to say with respect to it in committee. There will be opportunity there for discussion of that section. I have no personal views one way or other in the matter, but I should like to be enlightened. It was put there for a purpose, and, by virtue of government policy, was changed when the Minister of Trade and Commerce (Mr. Howe), who was then responsible for aviation, made the announcement with which my hon. friend is familiar.

However, I do not wish to close the debate without saying that I think much good will have derived from the discussion. I do not think the criticism which has been made is criticism which should not have been made; on the contrary, I welcome it because I feel that the Aeronautics Act and the administration of civil aviation by the air transport board and the Department of Transport can be enhanced by the discussion which has taken place. I do think however that some of the charges were inaccurate and unwarranted.

My suggestion is that at this stage the bill be referred to a committee where it can receive careful study section by section before it comes back here for further review.

Mr. Drew: Mr. Speaker, I should like to learn from the minister what advantage he thinks would be gained by referring this to the committee. I am asking just as a matter of explanation.

Mr. Chevrier: I would be delighted to carry on the discussion here, but it was my understanding that it was the feeling of the house that it be referred to the committee.

Mr. Drew: I do not raise the point critically. That matter had been discussed, had it—the idea of putting it before the committee?

Mr. Chevrier: Well, frankly, I had not given it any thought other than that. My feeling was that a bill of this kind should go to the committee and receive consideration there. However, if it is the feeling that it should be discussed section by section in committee of the whole I would be delighted to proceed in that fashion, because it would save my appearing before the committee, and perhaps save several hours.

Mr. Drew: From what the minister has said, obviously it is the impression that it should go to a committee. Therefore I think that procedure should be followed.

Motion agreed to, bill read the second time and referred to the standing committee on railways, canals and telegraph lines.

[Mr. Chevrier.]

SUPPLY

The house in committee of supply, Mr. Beaudoin in the chair.

DEPARTMENT OF TRANSPORT

460. Canals service—administration, $97,950.

Mr. Black (Cumberland): Mr. Chairman, this is an item which deals with canals, a very important service to some parts of Canada. I do not see any special appropriation for the Chignecto canal, but there may be a general item which would apply to such expenditure.

I am not going to enter into a discussion of the merits or the desirability of proceeding with this work at the present time, because that has been discussed in the house on many occasions. It was discussed this session by my colleague the hon. member for Royal; it has been discussed by the hon. member for Saint John-Albert, by the hon. member for Queens-Shelburne, and by several others.

This project is well known to the minister, and both last year and in recent months has received a great deal of attention from boards of trade, municipalities and individuals in the maritime provinces—indeed perhaps more attention and more consideration than ever before in the history of this country. The Chignecto canal has been under consideration since the days when the Indians were in possession of the maritime provinces and the Acadians first came to this country. The building of the canal was one of the conditions of confederation, and this project has been before parliament on different occasions since, but has always been brushed to one side.

The time has arrived when there should and must be a declaration of policy on the part of the minister and the government, which has been demanded throughout the maritime provinces. I am asking the minister tonight if he is prepared to make that declaration of policy, or if he is going to wait until a very representative and determined committee proceeds to Ottawa to make direct representations to himself and to the government—which I understand they are proposing to do. I think I need say nothing more about that.

Some complications have developed recently, conflicts concerned with the construction of the Chignecto canal, and where it was to be located. Information was placed before the house by the hon. member for Westmorland, when he made reference to the St. Mary's tidal project, which requires an enlarged dam at the mouth of the Petitcodiac river composed, I am told, of a natural rock cliff, which will enclose seventy square miles

and which will be filled twice a day by the high tide. It will mean the damming of the Cumberland basin to enclose about sixty square miles which will be emptied twice a day. This power project has been supported by experienced engineers in the maritime provinces and has been placed before this house by the hon. member for Westmorland. It offers a potential power development of more than 2,200,000 horsepower which is greater than the potential development of the international section of the St. Lawrence river. It would provide cheap power to all the maritime provinces.

This proposal has had the recognition of the government and the Minister of Resources and Development (Mr. Winters), and it has been agreed that a survey will be made of the project. I understand that a preliminary examination has been made already. We should have a report on that examination inasmuch as it may conflict with the proposed Chignecto canal and the reclamation of the large marshland area in the maritime provinces for which a large appropriation has already been made.

I should like the minister to make an announcement of policy as to the St. Mary's tidal project. I am sorry the Minister of Resources and Development is not in the house at the present time. If there is delay in making a report it will be construed by a great many people as an excuse for delay in making an announcement of policy with regard to proposals that have been before parliament on many occasions and pressed by those who are interested in the maritime provinces.

Mr. Chevrier: I want to say that I am happy to see the hon. member for Cumberland back in his seat. Hon. members were concerned at one time about the state of his health and we are delighted to see him in good form again and indicating his keen interest in a project which he has advanced from year to year since I have been in the department, namely, the construction of the Chignecto canal. The hon. member asked me if I should like to wait until I had an opportunity of meeting the delegation before making a statement. I understand from the hon. member and from other sources that a delegation is to wait upon me and others concerning this project.

Mr. Black (Cumberland): If the minister would make a statement of policy perhaps it would not be necessary for them to come here.

Mr. Chevrier: I understand the delegation is coming to Ottawa and I would not like to make a statement. Even if I did make a statement I do not think it would stop them from coming and I might be prejudging what they had in their mind and perhaps be taxed with being unfair. I am not saying I would not like to see them; on the contrary I shall be delighted to hear their representations. I think my hon. friend will agree that in view of my information perhaps I had better withhold any comment that I might otherwise make.

Mr. Brooks: Do I take it that the minister's statement would not discourage them from coming?

Mr. Black (Cumberland): Has the minister any statement to make with regard to the St. Mary's tidal power development?

Mr. Chevrier: My information is that as this is a tidal power development project it would not strictly concern the Department of Transport. I have not considered it in the light of its having effect on the Chignecto canal and would not want to say anything about it at the moment. I have received representations from the hon. member for Westmorland and the hon. member for Saint John-Albert and I have had a long brief on the matter. I have not been able to give it consideration in the light of the other projects and for that reason I would not like to have my remarks interpreted one way or the other.

Mr. Black (Cumberland): I assure the minister that this proposal takes into account that the Chignecto or an alternative canal is essential. It includes the building of a canal across the Chignecto isthmus.

Mr. McLure: I should like to say a few words with regard to the Chignecto canal but I would only be repeating what has been said already by other speakers on different occasions. It is our great desire in the maritime provinces to see this Chignecto canal become a reality instead of a political talking point such as it has been for the last quarter century.

This item deals with the administration of the canal service. In commenting on this canal service I intend to scratch where it itches most. The canal system of Canada is one of the greatest in the world. For the transportation of free freight there is no canal service in the world to equal it. The large Suez and Panama canals charge commodity tolls ranging from 75 cents to $1.10 per ton, or perhaps more. I should like to indicate the position if our canals charged similar tolls, although I am not urging that that be done. I have received estimates of the total tonnage of freight moving through our canals yearly and these vary from 25 million tons to 50 million tons. In addition there are no charges for vessels of nations other than

Canada. It is all free. If tolls were imposed on freight passing through these canals then at the rates I have quoted it would bring in a revenue to the Dominion of Canada of anywhere from $25 million to $40 million annually. As I said a moment ago, however, I do not want to persuade the minister to break faith with the people of the provinces for whom the canals were constructed by now taxing them and calling it a toll, freight charge or whatever you wish.

The point I want to make is that so far as canals are concerned they appear in the estimates as a service to the people, and that is the proper way to do it. Every time I see it in the estimates it brings to my mind the contrast that exists so far as the province of Prince Edward Island is concerned. Under an agreement with the federal government we were given the assurance of a connection with the mainland on our entry into union in 1873. The ferry service between Prince Edward Island and the mainland should be listed as a service in the estimates. It should not be called a handout, and it should not be pointed out that there is a deficit on the ferry system from the operation of the boats.

We do not know whether or not there is a deficit. We never receive any statements concerning it, and we know nothing about it. It is true the Minister of Transport may get a statement from the subcontractors who provide the service. Whether he does or does not, the question is one of providing a service for which we paid well in 1873. When we ask for fulfilment of the terms of confederation, as we have often done, when we ask for extra service during the tourist season we are told that they will try it out but if it does not pay they will not provide it in 1951. The terms under which we entered union were that we would have proper communication with the mainland. As I have often said before, all you have to do is read the terms. If there is a deficit forced on us by the subcontractors, the Canadian National Railways, we do not want it to appear as such in the estimates and have it broadcast across Canada that there is a deficit. There is no deficit because it is a service that the dominion government should provide in payment of their debt to us in the same way that we have paid for everything we have got from them under the contract of 1873.

Let the service be listed in the estimates in the same way as canals. Over $8 million is to be voted this year for administration, operation, maintenance, construction and improvements with respect to canals. All these matters are covered by the word "service". On the other hand, when there is a small deficit of a million dollars or so on the ferry system between Prince Edward Island and the mainland we are saddled with it, and are told it is a handout and a deficit. It should be treated in the same way as canals. I am not going to go further into the matter. I hope that some day Couéism may have an effect on the minister and that he will see the matter from a bookkeeping standpoint. If he cannot do that, I hope he will look at it from the point of view of the fulfilment of the terms of confederation.

Mr. Chevrier: I am glad the hon. member has completed his remarks. I have no objection to his making that speech as often as he likes but I hope he will make it on the proper item. We are dealing with canal service now and not with the Prince Edward Island ferry.

Mr. McLure: Very well. That will give me a chance to say it again on the other item.

Mr. Fulton: Will the minister tell us the reason for the increase of three in personnel resulting in an increase in expenditure of $11,000 this year?

Mr. Chevrier: There is an increase of $14,050 in this vote, and it is made up as follows: For annual increases, basic salary rate increases and minor salary adjustments, $3,720; for headquarters supervision of the maintenance and improvement program particularly the St. Remi tunnel now under way, and the preliminary investigation and planning of the Atwater subway, three additional and authorized positions and associated expenses, $10,330.

Mr. Fulton: They are temporary, are they?

Mr. Chevrier: Yes; of necessity they are, because once the tunnel is completed they will disappear.

Item agreed to.

461. Canals—operation and maintenance, $4,398,395.

Mr. Fulton: There is an increase in expenditure of $553,315 this year compared with last year. Some of the more outstanding increases appear in temporary assistance, an increase of nearly $100,000; permanent positions, an increase of about $240,000; and casuals, an increase of $70,000. Will the minister explain that to us? I should also point out that there is an increase in materials and supplies of $99,000. Can the minister point out the reasons for these increases?

Mr. Chevrier: The increase of $553,315 is made up as follows: Salaries, materials and supplies, repairs to equipment and structures. Under salaries there are annual increases in certain cases amounting to some

$30,000, $5, $10, or $20 a month. Basic rate increases amount to $212,000. Thirty additional positions—

Mr. Fulton: Why is that?

Mr. Chevrier: That is engineering, clerical maintenance—$62,000. Reclassifications and promotions, $11,000; other net increases, $19,000. As to materials and supplies there is the increased cost of items required in the maintenance of canal properties, uniforms for lockmasters, bridge men and canal men, totalling $99,000. As to repairs to equipment and structures, there is an additional provision for maintenance of canal mobile equipment and various types of structures amounting to $25,000. Then there are other net increases, $19,000 odd.

Mr. Fulton: Why is the amount for travelling expenses under this item so heavy? I notice that last year it was $26,625, and this year it is $27,825, an increase it must be admitted of $1,000. In view of the size of the item it is not so much, but why do they need that much for travelling expenses?

Mr. Chevrier: As the member for Kamloops knows, this item of operation and maintenance of canals covers not only the main canals extending along the route of the St. Lawrence waterway and the great lakes, but also secondary canals. In conjunction with the operation and maintenance of these canals, there is a great amount of travelling to be done. For instance, the cost of the operation of cars has not decreased; on the contrary it has increased. I am informed that explains the increase in that particular item.

Mr. Green: I take it there has been no increase in the mileage of canals. We still have only the same mileage to keep up, and it does seem strange that there would be an increase in the staff. Permanent positions have gone up from 794 to 836, that is an increase of 42. Against that, of course, there are 11 fewer temporary employees. Then, for the casual employees, who I presume are over and above the permanents and temporaries, there is an increase of $73,000. In this year, why should there be an increase in this vote of $500,000, when the total vote last year was under $4 million? It seems to me that is an increase of over 12 per cent. I wonder why it is necessary to have such a large increase? Surely, this work could be done with a smaller vote than the minister is requesting at this time.

Mr. Chevrier: With regard to the first question, namely, why should there be such an increase in positions, I am informed by the director of canals that is largely due to the number of transfers from temporaries to permanents. Then, my hon. friend asked why should there be such an increase in the vote of almost $500,000? He will remember that during the war we did really little or no repairs on the canal systems.

Mr. Green: But this is over last year's vote.

Mr. Chevrier: Yes, I know, and that is the point I am trying to make. We were not able to do all the repairs in one year that the canals required. I was saying that during the war years no repairs were made at all. We did not have the materials, we did not have the men, and the costs were high. With the normal period back again, we proceeded to do a number of necessary repairs which have to be made from time to time. Those repairs cannot be carried on right through the year, but some can only be made when the water is out of the canals. Other work has to be done at certain times in the year. On the main canals of the great lakes and St. Lawrence waterway, the costs of repairs and maintenance have increased, as have the costs of operation, because of the salary increases which have gone into effect from time to time.

Mr. Green: Why should there be that increase this year as compared with last year? Surely the price of materials has not gone up to that extent within the last twelve months? It looks to me as though this may be a case where the estimate has not been kept down as it might have been. It is a very large increase in the item in a normal year. At least this year should be no different from last year. The war has been over for five years, and the vote last year was $3,800,000, which was sufficient to carry out the repairs and maintenance. Why should we require an additional half million dollars this year?

Mr. Chevrier: A moment ago I gave a breakdown of the items which showed the increase of $553,000. I do not think I can explain it much more than that. It is not a detailed statement of the amount, and I do not think my hon. friend would expect me to give him that, but it is a breakdown under the various headings.

Mr. Green: But it is not for construction and improvement. They are covered by the next item. This is merely for operation and maintenance—ordinary operation and maintenance. Yet there is an increase in that vote of approximately 12 per cent.

Mr. Chevrier: I am informed that the maintenance and improvement of canals and canal services is rather closely interlocked. If

my hon. friend looks at the other vote, which is No. 462, he will see a considerable decrease.

Mr. Fulton: It is under $200,000.

Mr. Chevrier: So, having regard to the fact that the two are interlinked, the increase is not abnormal.

Mr. Macdonnell (Greenwood): Mr. Chairman, surely when we ask a question on one item we should not be tossed over to the other. This is getting into what the *New Yorker* calls the department of utter confusion. We should be able to say on this item 461 that last year you spent $3,845,000. This year you are estimating for $4,398,000. Now, without getting down to the last dollar, or even the last thousand dollars, surely it must be possible, and I think we should ask for it, to have a definite statement as to the reason for that significant increase. It seems to me unsatisfactory to have it said that we should look at item 462, where we do find a decrease. I think we should deal with each of these items on its merits, and we should have something which, on the face of it, shows the reason for the increase. At the moment we have nothing except what we are so often asked to take, the assurance of the minister, which I have no doubt is given in good faith.

We have had a strong indication that we should tighten up our belts. The Minister of Finance gives it as his considered opinion that we are not doing our job properly, and I doubt if we could have a more expert opinion than his, because he knows better than we do what we should find out and do not. I believe, therefore, we should get much more information than the minister has given us yet.

Mr. Chevrier: I am sorry I have no further information to give.

Mr. Fulton: In his first explanation a moment ago, the minister said one of the main reasons for the increase was the deferred costs of repairs and maintenance, which had been carried over from the war and which he was trying to catch up. It has been pointed out that the increase is some $550,000. If one looks at the details where one might expect to find the expenses of materials and so on, we find that materials have gone up just under $100,000; repairs and upkeep have gone up $5,000; repairs and upkeep of buildings have gone up $22,000, accounting for $127,000 out of $550,000; so it seems to me the minister's explanation that the main cause of the increase is an effort to catch up with repairs and deferred maintenance is hardly borne out by the detail which is given under this estimate itself.

I also point out that in the detail of the item at page 289—and this is apart from the staff itself; the staff is all set out in detail—there are twelve general items or charges for expenditure such as overtime; allowances; travelling expenses; telephones, telegrams and postage; printing, stationery and office equipment; material and supplies; rentals—land and equipment; repairs and upkeep of equipment; repairs and upkeep of buildings and works; express, freight and cartage; light, power and water; and professional and special services. One would have thought that, having gone through that list of twelve headings, each with its amplification and expansion, we would have covered about everything and that there would not be anything left. But we come to the thirteenth item, which is sundries, $31,170, an increase of about $2,300 over last year. After that expanded list of detail, I must confess that I cannot see what you could get in under the hearing of sundries and why you want $31,000 for it. In keeping with the fact that there has been no real explanation of why we should have a general increase of over half a million dollars—I do not think the minister has given us any reason to justify the increase—I think we should move a reduction. Perhaps the minister would like an opportunity to explain what these various things are for.

Mr. Chevrier: Yes. The hon. member for Kamloops referred to a statement which I had made, that a large amount was for deferred maintenance. He himself read materials and supplies; and they amount to almost $100,000.

Mr. Fulton: Yes, I said that.

Mr. Chevrier: He read the statement, repairs to equipment and structures, which he said amounted to some $9,000 or $10,000. In the breakdown it is $26,000.

Mr. Fulton: No; I said the increase.

Mr. Chevrier: The increase on repairs to equipment and structures amounts to $25,960, which is almost $26,000.

Mr. Fulton: Not as given in the estimates. It is $22,000 in the estimates.

Mr. Chevrier: It is the breakdown of the increase of $553,315 which he is seeking, and I am trying to give it to him. One of the items of increase is repairs to equipment and structures, which amounts to $25,960. Before I come to that, perhaps I should give my hon. friend the breakdown of the item of sundries, $31,170. This is for miscellaneous expenses on the various canal units. In any event, there are several hundred miles of canals. The breakdown is as follows: Flowers and

seeds $805; unemployment insurance, casual, $1,923; navigation charts, $3,000; icing $25; bonding, $40; garage rent, $220; damage claims, $2,800; advertising, $800; laundry and sanitary services, $1,482; compensation allowance, $500; removal of obstructions, $200; dockage, $375; other unforeseen expenses, $19,000. Then with reference to the general item which members interested seem to have some qualms about, the increase of $553,000 is due in large part, as I stated, to the work that we have had to do. The increase in labour rates alone amounts to at least $250,000 of that $553,000.

Mr. Macdonnell (Greenwood): Now we are coming to it.

Mr. Chevrier: We have had to pay a certain amount of overtime.

Mr. Green: Why?

Mr. Chevrier: Because of reclassifications by the Department of Labour in working conditions in the various canals from time to time. The canal system is unionized and the organizations make representations to us for new working agreements. I should not say to us; they make representations to the Department of Labour. Any representations to us are referred to the Department of Labour and the Department of Labour fixes the rates. Very often we have to reclassify labourers, riggers, canal operators, canal men and lockmasters. More than half of this is due to increased rates.

Mr. Macdonnell (Greenwood): I observe, for instance, at page 287, that there are quite a few instances of increases in staff. I notice, about halfway down the page, several new technicians. Does that arise through different labour conditions?—because we understand that we are dealing with exactly the same physical extent of canal system.

Mr. Chevrier: I think I gave to the hon. member for Kamloops a breakdown of the technical positions. No, the technical position would not arise from a reclassification of operating labour. The technical positions, I take it, are civil servants, and if there is an increase—I do not know which one my hon. friend has in view—it would result from a reclassification by the civil service commission. There have been a considerable number of reclassifications all along the line in the various departments, particularly in the large departments like public works, transport, trade and commerce and mines and resources, which is now divided into two new departments. But the question the hon. member for Greenwood addresses to me does not relate to the answer I have given to the hon. member for Vancouver-Quadra.

Mr. Green: I notice that there has been an increase in canal men, grade II, from 104 to 123; and in canal men, grade I, from 68 to 82. As to the higher grades, there is no change. Why is it necessary to take on all these extra men?

Mr. Chevrier: No extra men—

Mr. Green: That is one question I should like answered. Another is this. The cost of having casual help is going up from $120,000 to $193,000. Why is there that increase in the casual help?

Mr. Chevrier: With reference to the canal men—and I did not catch the second question —the increase in canal men from 104 to 123, and the question as to why it is necessary to have the additional number of men, may I say that there are no additional canal men engaged. The 21 are temporaries who have become permanent. With reference to the casual help, more casual helpers or seasonal men have been taken on to do some of this deferred maintenance that I referred to a moment ago on the main line canals.

Item agreed to.

Marine service—

465. Marine service administration, $18,970.

Mr. Macdonnell (Greenwood): Under this group of headings, I should like to ask the minister a general question as to the way in which the organization of the marine service is set up. I understand there is a director of marine services, a marine superintendent, a supervisor of nautical services, a chief of aids to navigation. Then there is what is called pilotage administration which I assume is another officer. I should like to find how all these administrative officials relate to each other. For example, do they all report to the director of marine services, and how does that work out, because there is a great multiplicity of them? I should like to know exactly how the organization stands.

Mr. Chevrier: Yes, Mr. Chairman, this vote covers marine services administration. This appropriation is a small one and provides for the salaries and other expenses of the office of the director of marine services. The office supervises the following branches of marine services: aids to navigation. Aids to navigation is a branch in itself, as we shall see later on. This vote does not provide for the expenditures of that branch, but for the direction of it under the supervision of the director of marine services.

Nautical services is another division which is responsible to the director, and later on

we shall have a vote covering that branch. Marine agencies is also a fairly substantial vote.

Mr. Macdonnell (Greenwood): Is that vote 470?

Mr. Chevrier: Yes.

Mr. Macdonnell (Greenwood): Will the minister explain that a little; it does not explain itself.

Mr. Chevrier: Yes. There are some 10 marine agencies across Canada. I will take Ontario first. There is one in Prescott, and there is one in Parry Sound. On the west coast there is one at Victoria and one at Prince Rupert. On the east coast there is one at Saint John, New Brunswick, and one at St. John's, Newfoundland; there is one at Halifax, there is one at Charlottetown, one at Montreal and one at Quebec. The responsibilities of the agents are to look after the maintenance of aids to navigation, and they have some responsibility for steamers, too.

Then I go on and explain the operation of the marine floating equipment.

Mr. Macdonnell (Greenwood): May I ask the minister a question about these agencies first? I think he said that the chiefs of those marine services were responsible for certain things. Did he mean by that the agencies?

Mr. Chevrier: Yes.

Mr. Macdonnell (Greenwood): Is the agency what it sounds like, an independent man who is at arm's length from the department, and not an ordinary civil servant?

Mr. Chevrier: Oh, yes; he is responsible for the marine agency in his branch. Again I take Prescott. We have a marine agent who is responsible for an area in the St. Lawrence river extending from Sarnia on the west to the Quebec border on the east.

Mr. Macdonnell (Greenwood): The word "agency" does not suggest that he is at arm's length from anybody. He is an employee.

Mr. Chevrier: Oh, no.

The Deputy Chairman: Shall the item carry?

Mr. Macdonnell (Greenwood): No, Mr. Chairman.

The Deputy Chairman: Is the hon. member still speaking on item 470?

Mr. Macdonnell (Greenwood): No, I am on item 465. The minister has answered certain questions which I asked with regard to the whole marine service administration. I have another question. What about purchasing done for all these various bodies? How is that done?

[Mr. Chevrier.]

Mr. Chevrier: It does not come under this item.

Mr. Macdonnell (Greenwood): Excepting that I suggest it might be relevant to ask it in connection with the whole question of administration. However, if the minister prefers to answer later, that is all right.

Mr. Chevrier: No purchasing is done under this item, none whatever.

Item agreed to.

Marine service—

467. Nautical service administration, $194,262.

Mr. Green: This item has to do with nautical services administration. When we turn to the details on page 290 we find that $300,000 of the reduction shown of $296,408, in fact more than the total reduction, is being taken off the vocational training for merchant seamen. The allowance is being cut from $350,000 to $50,000, and it is rather ironical to read the next two items in the details. They are, "campaign stars, $4,000; war medals, $6,000." The reduction means that there is going to be very little vocational training available for these merchant navy veterans during the present fiscal year. I would ask the minister to explain the present position with regard to this vocational training. I find in the annual report of the department for the year ended March 31, 1949, that this particular activity under the nautical service branch is described as follows:

> In association with the Department of Veterans Affairs, rehabilitation and vocational training of qualified merchant seamen who served at sea during the second world war.

And further down we find the last job of this branch is:

> Issue of medals to merchant seamen in recognition of service at sea during the second world war.

I am not going to repeat at length the stand I have taken for years with regard to these merchant navy veterans. But the picture is that only a very limited number of them are able to get vocational training, and none of them are able to get any educational benefits. In addition they get no war veterans allowance, civil service preference, hospitalization, or the various other benefits available for the men in the other arms of the service. I had hoped that while there was some extension of the regulations last year, during the present fiscal year much better provision would be made for those men who served in the merchant navy. I wish the minister would explain to the committee whether there is to be any further consideration given to these men and at the same time explain why the benefits are limited to those who had a manning-pool contract. We find at page 54 of the annual report of the department the statement of those who were eligible.

I have had young men come into my office in Vancouver who were too young to sign a manning-pool contract. They were not asked to sign a contract by the officials. I have had other young men come in who were put on a Canadian vessel without ever being asked to sign a contract. One man was transferred in Egypt. He had been in hospital there, had been on a British ship and was sent out on a Canadian ship, and nothing was said to him about signing any contract. As a result of not having a contract he is not eligible for any of those benefits. I think these restrictions are much too drastic. There should be a broadening of the qualifications so that more of these men could become eligible for the benefits.

Occasionally we encounter the reply that these men of the merchant navy did not want to serve, that they tried to escape war service and therefore joined the merchant navy. There is one effective answer to that, and it is that the casualties in the merchant navy were higher in proportion to those serving in that force than they were in any of the three other forces. It will be recalled that during the war a board dealt with young men who were called up. I had the opportunity recently to speak to one of our most responsible citizens who had served on a mobilization board in Vancouver; he told me that time and again young men came in who had been found unfit to join the other forces, and for that reason had been turned down, yet while they could have had exemption insisted upon joining the merchant navy because of their determination to do their bit.

It does not sit well now for anyone to say that men who served in the merchant navy were not willing to play their part. That certainly was not so on the Pacific coast, and I do not think it was so on the Atlantic or in the St. Lawrence. I have never been able to see why the Department of Transport has not taken the position that these men were the fourth arm of the service, and that they should be given every chance to be re-established.

This year the situation has been made much worse because of the fact that so many Canadian vessels—I believe the minister gave the number as ninety-three—have been transferred to British registry. In most cases the crews of those ships were discharged; they could not live on the British rates of pay. I think the minister will admit that most of them have lost their jobs as sailors and are now "on the beach."

Apparently there is no provision whatever to give these men vocational training. I believe they should be helped to re-establish themselves in some other fields. I shall not take further time of the committee, but I would ask the minister to explain the position, with the hope that it will be possible for him to recommend to the government a change in the provisions made for these men.

Mr. MacInnis: I, too, have been hoping that the minister and his colleague, the Minister of Veterans Affairs, would have been able to do more along the lines of vocational training than has been done in the past. However, it appears now from the reduction in the vote for vocational training that, as the hon. member for Vancouver-Quadra has said, that work is just about wiped out.

Mr. Chevrier: May I interrupt the hon. member? I did not wish to say this when the hon. member for Vancouver-Quadra was speaking. I must point out however that there is no reduction in the vote. When the main estimates were prepared the policy had not been announced of extending vocational training. So that the hon. member may drop that from his remarks. I shall deal with this at greater length at another time. There is no intention however of not carrying out the statement made by the Minister of Veterans Affairs and by myself toward the end of the last session.

Mr. MacInnis: I am very glad to hear that, and I have no wish to labour the matter further. Would the minister tell the committee now what is being done in this connection?

Mr. Chevrier: The hon. member for Vancouver-Quadra closed his remarks by saying, having in mind the statement I made the other day on the merchant shipbuilding and operations program to the effect that a large number of ships—ninety-three I believe—had been transferred to British registry, that many men would be out of work. I also stated at that time that there were some nine thousand seamen employed, although the report of the maritime commission had suggested seven thousand, in accordance with its over-all program.

Then the hon. member for Vancouver-Quadra states that no provision was made to look after these merchant seamen. The policy announced toward the end of the last session by myself, in conjunction with the Minister of Veterans Affairs, was to take care of that. In other words, the Prime Minister made it clear that one of the reasons for the policy of extending the vocational training to merchant seamen was to assist those who would be laid off. These estimates were prepared before that statement was made, because they have to be made up some time in advance.

Then I am sure hon. members would like to know how much has been paid thus far. The total amount reimbursed to the Department of Veterans Affairs up to February 28, 1950, for 225 applicants was $112,000. There would be in the supplementary estimates a substantial amount—I do not know just how much, but perhaps in the neighbourhood of $150,000. So that we intend to carry out the policy which was announced.

The hon. member says no further consideration has been given. Well, no further consideration has been given since the announcement was made to extend the benefits to merchant seamen. I do not think I can add much more at this time.

Mr. Gillis: What are the qualifications required by a seaman to receive vocational training?

Mr. Chevrier: I put that information on record last year. I would state roughly that a merchant seaman must have been in receipt of one of the two bonuses.

Mr. Gillis: What is the age limit?

Mr. Chevrier: Vocational training for the rehabilitation of merchant seamen under the order which was announced applied to those seamen under thirty years of age who were in receipt of either the war service bonus or a special bonus.

Mr. MacInnis: With the great decrease in the Canadian merchant service it follows that a great many merchant seamen will be thrown out of employment. Because of the nature of a sailor's employment I imagine it would be more difficult for him to fit into other kinds of work than it would be for the ordinary landsman. I am not going to criticize the minister for what has happened to our merchant service, because I do not know enough about it to criticize intelligently. It may be that no responsibility falls upon the minister. It may be that because of world conditions over which this government has no control it was found the Canadian merchant service could not be self-supporting.

I believe we are moving into a new position in matters of this kind. Where employment fails through no fault of the government, through no fault of the employer and certainly through no fault of the employees engaged in the service, there is a responsibility upon the government to fit these men for some other work. We may find it difficult to accept that, but we are moving into new times where the welfare of the individual worker is becoming of increasing importance to the whole question—I put it this way for lack of better words—of peace and war. It has become a part of our state policy of which we must take cognizance.

[Mr. Chevrier.]

Let us not forget that for the past four or five years the United States government has been providing huge sums of money to sustain populations in other parts of the world. That is not done just because the United States government is kind-hearted, it is done because the welfare of workers in any part of the world is important for the peace of the world today. If it is important for one nation to take action because of conditions in another nation, surely it is much more important inside a country itself. In fitting these men for employment I think we will have to go beyond the narrow conditions that applied after the war.

I have no worked-out plan, but I submit the government should take the matter under advisement. It is not a good thing for this country to have men who are anxious to work looking for work and not finding it in their chosen employment.

Mr. Gillis: I do not think the government can explain their way out of the transfer of ninety-three of our ships to British registry.

Mr. Chevrier: A discussion of that will be entirely out of order. There will be a time and place for that discussion.

Mr. Gillis: The minister answered the hon. member for Vancouver-Quadra and in fact he raised the matter himself, and then there was the statement made just now by the hon. member for Vancouver East.

The Deputy Chairman: The hon. member for Cape Breton South will realize that if this matter was mentioned in the speeches of the hon. member for Vancouver-Quadra and the hon. member for Vancouver East it was in connection with unemployment which that situation had created and also in connection with vocational training.

Mr. Gillis: That is exactly what I am going to talk about. Seamen are unemployed because ships have been transferred to British registry. I am not quarrelling with the suggestion to retrain seamen in co-operation with veterans affairs, but I do quarrel with the reason why that should be done. This unemployment problem has been created by transferring ships to British registry.

This is not something new; this is just history repeating itself because we did exactly the same thing after the first war. We built up an effective merchant marine staffed with British officers but when the war was over those British officers were demobilized and the sailors were beached. Most of the ships were sold to Japan and other countries in the Far East. In the present case I have taken the same position as that taken by the hon. member for Vancouver-Quadra. We have worked on this problem in committee

and in the house. We have always taken the position that regulations and legislation applicable to members of the armed services should be made applicable to merchant seamen. They worked on ships that were armed and did what was perhaps one of the most effective jobs in the war.

Basic to this question of training seamen who are unemployed is the fact that ships have been transferred to British registry while others have been sold. I do not think that can be justified?

The Deputy Chairman: I must ask the hon. member to confine his remarks to the item under discussion.

Mr. Gillis: I am confining my remarks to the item. I am simply following up the discussion which was permitted and which was raised by the minister in his answer to the hon. member for Vancouver-Quadra.

Mr. Chevrier: On a point of order, I cannot allow the hon. member to put in my mouth words which were not spoken. I did not raise the subject; it was raised by the hon. member for Vancouver-Quadra. However, the hon. member was speaking on the item and in the course of his remarks he referred to the ninety-three ships. If the hon. member wants to enter into a discussion of the policy adopted by the government, I can deal with the matter now but I do not think this is the time to do it. If the hon. member wants to speak until eleven o'clock all right, but there are one or two things I would have liked to say to the hon. member since there is perhaps some information he is not aware of concerning his statements.

Mr. Gillis: I have not made any statement as yet; I was simply beginning to make a statement which the minister apparently is afraid to let me complete. If the minister wants me to drop this subject so that he can take up something else, I am quite prepared to do so and bring it up later on in his estimates. I am sure I can show him that I know a lot more about this subject than he thinks I do. If he is sparring for time, all right. The minister is a very obliging fellow and I certainly would like to accommodate him. If he will ask me now to drop the subject and take it up later, I am quite willing to do that, but I am not admitting that I am out of order because this discussion has been permitted.

Mr. Chevrier: I am asking the hon. member to be good enough to postpone his discussion because he is out of order. When we reach item 525 concerning the maritime commission I shall be glad to deal with his statement. The hon. member will then have full opportunity to go into the subject which he wants to deal with under an item which does not concern it at all.

Mr. Gillis: The minister has asked me to drop this because I am out of order. I will not drop it because I am not out of order.

Mr. Chevrier: The chairman decides that, not the hon. member.

Mr. Gillis: It has been decided already by your raising the matter in answering the hon. member for Vancouver-Quadra. You should have been called out of order and we would not be wrangling about it.

Mr. MacInnis: Perhaps I am the one responsible for getting this discussion off on the wrong foot. I am quite willing to take the blame for that and perhaps the minister should have raised the point of order when I was speaking. In view of the fact he wants to make a statement tonight I will apologize for being out of order so that he can do so, and we will take up the other matter under the report of the maritime commission.

Mr. Gillis: That is not a point of order. That is a demonstration of impudence. He is attempting to tell the chairman how to run the committee. If the minister wants to make a statement I am quite prepared to give him the floor to do so and postpone this discussion, but not because I am out of order.

The Deputy Chairman: Order. I want to make it quite clear that there is no doubt in the chairman's mind that the hon. member is entirely out of order when he seeks to discuss the policy of the government in selling certain ships of Canadian registry thereby creating unemployment, and I so rule. When the hon. member mentions that situation in relation to the item under discussion, item 467, nautical service administration, I should like to point out that at page 290 there is a subtitle, "vocational training". If the hon. member wants to argue that vocational training would not have been necessary if that policy had not been followed, that is all right; but it is only complementary to the discussion of the item of vocational training. If he wants to argue with the minister whether or not the government was justified in following the policy it did, then he is entirely out of order. Of course it is quite difficult to settle these matters when some hon. members who are experienced stay on what I might call the borderline. They talk about a certain subject that is extraneous to the discussion and then mention vocational training every now and then. Every few seconds they turn to something else and then come back to vocational training. It is very difficult for the chairman to decide, and I ask the co-operation of the hon. member for Cape Breton South. I know he will relate his remarks to the item under discussion.

Mr. Gillis: I am quite prepared to bow to your ruling, Mr. Chairman, although I do not agree with the reasoning. If we had not sold the ships we would not have had unemployment and it would not have been necessary to have vocational training. We will continue this discussion later on under the proper item but I am still not admitting I am out of order.

Mr. Green: I think it would be most helpful if the minister could tell us what reduction there has been in the last year in the number of men in the Canadian merchant navy. We will then know how many there are who could be helped by vocational training. Of course in addition to that number there will be a further reduction as the policy is continued because the minister has said that the plan is to cut them down to 7,000 or 7,500. Which was it?

Mr. Chevrier: In the statement I made I said there were 9,000 employed.

Mr. Green: And that the commission recommended that be cut down to 7,000 or 7,500.

Mr. Chevrier: I do not think they recommended a cut but in the over-all policy they thought that the number who should always be employed or provided for should be in the neighbourhood of 7,000.

Mr. Green: So there will be quite a few hundred more out of employment as that policy is pursued.

Mr. Chevrier: I hope not.

Mr. Green: Can the minister tell us how many merchant navy men lost their employment in the last year?

Mr. Chevrier: I could not tell the hon. member that under this item. I would not have that information. I shall have the information when there is a general discussion under the maritime commission item. I can tell the hon. member one thing, and it deals with the problem raised by the hon. member for Vancouver East who was complaining bitterly about the large number of seamen out of work. There have been only 239 applications following the statement made by myself and the Minister of Veterans Affairs toward the end of the last session.

Mr. Green: That may be—

Mr. Chevrier: Wait. That gives some indication of those who are affected, and heaven knows we have advertised enough in every possible way. When the number who have applied for vocational training is 239, that shows the house if there are tremendous unemployment problems being created by the transfers.

Mr. Green: It may also be an indication that the regulations are much too severe. The minister will remember that no men over thirty can apply for that training. It is also restricted to those men who signed manning pool contracts. Personally I think a great many men have not applied because they know they cannot qualify, and it is about that point I am complaining. We think the regulations should be made easier. This is a very important problem in the coastal cities, and I suggest to the minister that he let the item stand.

Mr. Chevrier: Why should the item stand?

Mr. Green: You cannot get it through by eleven o'clock.

Mr. Chevrier: Certainly it should not stand because of what my hon. friend has said. If there is going to be more discussion on the item then the committee is entitled to that discussion.

Mr. Green: There are other points I should like to bring up in connection with the item, and I suggest to the minister that he let it stand.

Mr. Chevrier: It is one minute to eleven. Shall it carry?

Item stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Mr. Speaker, tomorrow the Minister of Agriculture will move the resolution preceding the bill to amend the Prairie Farm Assistance Act, 1939. When that is disposed of we will go into supply and take up the estimates of the Department of Agriculture.

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

[The following items were passed in committee of supply]:

DEPARTMENT OF TRANSPORT

Canals service—

460. Canals service—administration, $97,950.

461. Canals—operation and maintenance, $4,398,395.

462. Canals — construction and improvements, $3,648,572.

463. To provide for expenses in connection with St. Lawrence ship canal surveys and investigations, $10,000.

464. Supervision and control of water diverted for the hydro electric power development of the Beauharnois Light, Heat and Power Company, Limited, $2,500.

Marine service—

465. Marine service administration, $18,970.

466. Administration of floating equipment, $41,300.

HOUSE OF COMMONS

Friday, May 12, 1950

The house met at three o'clock.

MARINE INSURANCE

HUDSON BAY ROUTE—REDUCTION IN MINIMUM ADDITIONAL PREMIUMS

Hon. Lionel Chevrier (Minister of Transport): Mr. Speaker, I wish to draw the attention of the house to the fact that, effective May 1 last, a reduction of 33⅓ per cent has been made in the scale of minimum additional premiums on hull insurance rates on ships trading between Churchill, Manitoba, and the United Kingdom. This is additional to a reduction of 25 per cent which was made last year.

These reductions have resulted from representations made by my department to marine underwriters organizations in London through the commonwealth shipping committee. Further representations will be made by my department with a view to the extension of the navigation period in which the minimum additional premiums will apply on the Churchill-United Kingdom route.

I think I am fully justified in saying that Canada is appreciative of the representations made on its behalf by the commonwealth shipping committee.

FIRE AND FLOOD DAMAGE

ORGANIZATIONS FOR RELIEF OF DISTRESS—CASH DONATIONS EXEMPT FROM INCOME TAX

Hon. Robert H. Winters (Acting Minister of National Revenue): Mr. Speaker, many persons desire to assist in helping those who have suffered hardship and loss in the disastrous fires at Rimouski and Cabano, Quebec, and in the flooded areas of Manitoba. Organizations have been formed for the purpose of receiving money and supplies and applying them for this purpose. In response to numerous inquiries it is announced that organizations formed by local or provincial authorities or by responsible persons for the sole purpose of aiding the people in the distressed areas will be recognized as charitable organizations for the purposes of the Income Tax Act. Cash donations made to such responsible organizations, when evidenced by an official receipt issued by them for such donation, may be claimed by the donor as a deduction for income tax purposes, in accordance with section 26(a) of the Income Tax Act.

AIR DEFENCE ZONES

UNITED STATES—IDENTIFICATION OF AIRCRAFT ON SOUTHBOUND FLIGHTS

Hon. Brooke Claxton (Minister of National Defence): Yesterday, Mr. Speaker, the hon. member for Peterborough West (Mr. Fraser) asked me a question to which I replied in part. I should now like to supplement the answer given.

As it is, of course, entitled to do, the United States government is establishing air defence zones in the eastern and the Pacific regions within its boundaries and therefore wants to be sure of the identity of aircraft entering those zones. The task of identification is greatly simplified if all aircraft entering the zones file flight plans, as the R.C.A.F., Canadian and United States air lines and many non-scheduled and private operators have been doing regularly for a long time.

In this connection, the civil aeronautics administration recently consulted the Canadian Department of Transport regarding the desirability of encouraging airmen to file flight plans prior to southbound flights across the international boundary between the 87th meridian in lake Michigan and the Atlantic coast, and between the 115th meridian a little west of Edmonton and the Pacific coast. As a result, on May 2, the Department of Transport issued a request to airmen, effective on May 5, to file flight plans prior to southbound flights across the boundary between the points mentioned. I understand that the United States authorities took similar steps at that time.

One of the main purposes of these notices was to take care of non-scheduled United States operators who constitute the bulk of the non-scheduled and private traffic crossing the boundary southbound. As I have indicated, the notices will not affect normal practice except as regards comparatively few non-scheduled and private operators, who will now be expected to file flight plans regularly for flights into the areas affected.

Mr. Drew: Mr. Speaker, may I ask a supplementary question respecting the statement of the Minister of National Defence? This relates to flights southbound. Is the Canadian government taking similar steps, and will it require similar flight plans to be filed by non-scheduled aircraft northbound?

Mr. Claxton: No.

Inquiries of the Ministry

Mr. Drew: May I point out to the Minister of National Defence that along with the defence aspect of this problem it is important to Canada that we know what aircraft are coming in, because of the necessity of protecting our fishing areas from non-scheduled flights of that kind. I suggest that consideration be given to our making the same requirement for the filing of flight plans of all northbound flights.

Mr. Claxton: I am sorry; I misunderstood the leader of the opposition—I thought he meant exclusively from the defence point of view, because this statement dealt with defence areas. With regard to the matter of ordinary flights north and south, and particularly north across the boundary, the ordinary rules apply, and I am sure the Minister of Transport will take account of the hon. member's question and see whether our regulations need any supplementation. From the defence point of view, of course, it is obvious that they do not.

HUMAN RIGHTS

INQUIRY AS TO CRIMINAL CODE AMENDMENTS—SPECIAL COMMITTEE ON FUNDAMENTAL FREEDOMS

Hon. Stuart S. Garson (Minister of Justice): Yesterday the hon. member for Lake Centre (Mr. Diefenbaker) asked me a question arising out of certain evidence given by the deputy minister of justice to a committee on fundamental freedoms in the other place on April 28, as appears on page 125 of the proceedings of that committee.

As hon. members will recall, I indicated in my response yesterday that I disagreed with the interpretation my hon. friend had placed upon that evidence. I now find, upon discussion with the deputy minister of justice, that it was his intention, which in my opinion was clearly indicated by the language which he used, to inform the committee that the Criminal Code revision commission might in a later stage of its operations hear representations from any persons who consider that the Criminal Code might be amended for the protection of fundamental freedoms. It was not Mr. Varcoe's intention to recommend the introduction of a bill to effect such purpose at the present session, and in my judgment his language is not capable of that interpretation.

POST OFFICE

DENIAL OF THE USE OF MAILS—OPPORTUNITY FOR DISCUSSION

On the orders of the day:

Mr. George A. Drew (Leader of the Opposition): May I ask the Minister of Justice whether he will indicate when an opportunity will be afforded to discuss the statement which he made to the house earlier this week in regard to the suspension of postal services to certain citizens of this country?

Hon. Stuart S. Garson (Minister of Justice): I think it would be preferable for the leader of the house to answer that.

Hon. Alphonse Fournier (Minister of Public Works): I have given a lot of thought to that question since the other evening, and in fairness I think at the first opportunity I should call an item in the Post Office Department so that the matter may be discussed, perhaps early next week.

Mr. Garson: In that connection, if I may have some part in this answer, in response to an invitation I have received from Premier Campbell of Manitoba I am leaving on a plane this afternoon. If possible I should like to be present when the discussion takes place, but I hope that that fact will not delay the discussion. I should be back some time in the early part of next week.

Mr. McIvor: The request of the leader of the opposition is not as important as the flood disaster. Go.

PRAIRIE FARM ASSISTANCE ACT

AMENDMENT TO EXCLUDE CERTAIN AREAS, ETC.

Right Hon. J. G. Gardiner (Minister of Agriculture) moved that the house go into committee to consider the following resolution:

That it is expedient to bring in a measure to amend the Prairie Farm Assistance Act, 1939, to exclude certain areas of land from the operation of the act; to repeal the limitation that the shape of blocks of sections brought into payment in ineligible townships should be rectangular in shape; and to provide further for the exemption from payment of the one per centum tax previously collected from certain flour mills.

Mr. Charlton: Is the minister not going to make a statement?

Mr. Gardiner: Mr. Speaker, there is not much of a statement required in addition to what is in the resolution itself. It states clearly what the intention of the amendment is.

As all hon. members know, the Prairie Farm Assistance Act was first put on the statute book in 1939. The purpose of the act is to provide assistance to those who happen to live in what turns out to be a drought area. The method of determining whether it is a drought area or not is to check the crops in that particular area, and if the wheat crop is an average of eight bushels or less per acre, then certain payments are made. I would

like once again to say that the payments are not made on wheat. They are simply made on the farm operations in that area, whatever they may be. Wheat is used only as a means of determining whether payments should be made.

We have been functioning under that act from 1939 down to the present, and considerable money has been paid out to those farmers. We have amended the act from time to time, and on this occasion we are making three simple but fairly important amendments to the act. The purpose of the first one is to avoid making payments where we think they should not be made. That is, our intention under this act is to assist people who of necessity must remain for a time in what might be called submarginal areas, but our hope is eventually to get them off those lands. Therefore we have been organizing the submarginal lands into pastures under the Prairie Farm Rehabilitation Act.

In going over the areas this year in order to seek out new areas to organize into pastures, we did find that some persons were getting back on those submarginal lands by obtaining what are known as cultivation leases. Under those cultivation leases they were operating, and of course if operating under the terms of the act as it now is they would collect. This bill proposes to make it impossible for persons to collect who have gone on lands that are owned by the federal government, a provincial government or a municipality, our view being that if either the federal government, a provincial government, or a municipal council lease lands to individual farmers for cultivation purposes, they should lease them on terms that will pay as well without any assistance under the Prairie Farm Assistance Act, as if they paid rent and obtained assistance. For that reason we are suggesting that payments should not be made on government owned lands.

We are making provision for the fact that there will be lands in those areas that to all intents and purposes are owned by the government through the Veterans Land Act. It is provided in the legislation that this exemption shall not apply to lands held under the Veterans Land Act. In other words, the payments will still be made there.

The next part of the bill does something which most members thought a year ago should have been done when this legislation was before the house. We then changed the unit that could be treated under the act so that it would be regarded as though it were an entire township, whether it was being dealt with because that particular area had more than ten bushels to the acre—in which case it went out—or whether it had less than eight bushels per acre, in which case it was brought in.

In the previous legislation we said it required nine sections or a quarter of a township to make it possible to bring areas in. Last year we amended that to say that it had to be only six sections, but we still continued the provision that it had to be rectangular. Under this amendment, whether an area is going in or coming out, under the terms of the payment the area may be six or more sections, and it does not require to be rectangular. It can be L-shaped, or T-shaped, or it can be some other shape, but it does not require to be rectangular.

The third part of the bill proposes to amend the section which provides for the collection of one per cent from all elevators and mills which operate in grain. This simply restricts the definitions of mills, so that it does not include all of what were termed "mills" two years ago. Prior to the war, all our larger mills were making flour from wheat for sale either in Canada or outside Canada, and the smaller mills were mostly engaged in the grinding of feed. During the war many of these smaller mills found it possible to make flour to sell to advantage, and did so. Under the act as it reads now, any grain delivered to these mills is taxed one per cent to assist in paying prairie farm assistance. Now the mills which have gone back to the milling of feed grains will not be taxed. In other words the tax will be confined to mills which are milling wheat which is to be sold into interprovincial and export trade, and perhaps also sold intraprovincially as well.

Those are the three amendments. I do not think there will be any great controversy about the need for putting them in the act. I suggest that since we are going to proceed with the discussion of the estimates there would be no necessity for discussing at this time details of payments, and so forth, because these matters can be discussed when the estimates are before the committee of supply.

I should like to say, however, that a very considerable number of members are not here this afternoon, because of a trip which was arranged and in which many of our members are taking part. I was asked by some of them, including the hon. member for Lake Centre (Mr. Diefenbaker) to assure them that we would not go beyond the stage of first reading this afternoon. I had hoped that we might have the resolution adopted and the bill presented. I have given the understanding that I will not suggest to the house that the measure go any further today, thus giving

hon. members who are now absent, but who will be here at the beginning of the week, an opportunity to discuss it.

Mr. Argue: Will the minister send the bill to the committee on agriculture, as has been done in the past?

Mr. Gardiner: I did not think there was anything in the bill sufficiently controversial to make that necessary.

Mr. Smith (Calgary West): I am of course very much in favour of the first suggestion made by the minister. But with respect to the other two, may I ask, for purposes of clarification if for nothing else, whether those six sections must necessarily be together?

Mr. Gardiner: They must be together.

Mr. Smith (Calgary West): They must be contiguous?

Mr. Gardiner: Yes, they must be contiguous, and must lie alongside a township already in.

Mr. Smith (Calgary West): I followed that; but there is no arrangement about shape—or is there some discretion in that matter?

Mr. Gardiner: I think the hon. member for Calgary West, knowing western Canada as well as he does, will understand me when I say that if you have six sections just one mile wide and six miles long lying alongside a township already in, they can come in, and there is no question about it. That is rectangular. If you have them two deep and three across, they can come in because they are rectangular. You could have three running north and south and two across, and they could still come in. But, under the act as it now stands, if you had four lying alongside an area already in, and then two on top of that, it would be impossible for them to get in. So that you could have zigzagging to the extent that there would be one section dropped out, and still you would have six. Or perhaps there would be two sections dropped out, and you would still have six—or you could have five in a block, and one on top of it. But it would have to be a continuous block of land. You could not take five at the bottom and put in one away up at the top to make the six.

Mr. Smith (Calgary West): You could put six clear across?

Mr. Gardiner: Yes.

Mr. Speaker: Would it not be better if the house were to go into committee so that these questions might be asked?

Mr. Argue: Before going into committee I should like to speak briefly.

Mr. Smith (Calgary West): I have only one question, and if it is answered I shall be satisfied. In connection with these mills, did I understand the minister to say that a number of mills have gone back into the milling of feeds and out of the milling of flour?

Mr. Gardiner: That is so. If it has not already developed in connection with some mills, it is expected that it will develop as we go along. For the purposes of this section, a mill now, in order to be taxable, must be one that has been declared by the parliament of Canada to be a work for the general advantage of Canada. If it is so declared, it is in the same position as an elevator.

Mr. Smith (Calgary West): I understand.

Mr. H. R. Argue (Assiniboia): Mr. Speaker, the house will welcome that feature of the resolution which removes the rectangular provision covering six sections or larger blocks of land, which now can be joined to an eligible township. I am not just certain what is covered by the first part, which excludes certain areas of land from the operation of the act; but if I understood the minister correctly it would prevent people from going back on the P.F.R.A. pastures which contained submarginal lands, working that land and then becoming eligible for bonus. I certainly do not like to see at any time prairie farm assistance paid on submarginal lands; but I hope that this provision will not be used to prevent farmers, even though they have farmed on submarginal lands, from receiving payments as they have received them in the past.

I approve the removal of the rectangular provision from the six-section block. Since I was first elected to parliament in 1945, on every occasion I have brought to the attention of the minister the injustice that has arisen from adding only rectangular blocks. Crop failures in western Canada so often occur because of the way in which the showers happen to fall. They certainly do not fall in rectangles. I do not know whether they fall in L-shaped or T-shaped patterns, but certainly the T-shaped and L-shaped blocks would give more farmers the benefit of crop failure payments than the rectangular provision which is now applied.

I hope the minister will have this bill referred to the agriculture committee. In the past we have obtained real co-operation in that committee and have been given a good deal of information. Based on my experience I feel that the government has paid some attention to the proceedings of that committee, and as a result improvements in the act have been made from time to time. I repeat that I hope the minister will find it possible to send this bill to

that committee. It took only two or three hours of the time of the committee last year, and as the committee has not met so far this year it certainly would not be a burden on its members to consider this bill in greater detail.

There is another discrimination under the act which this resolution does not seek to relieve. I refer to the taking out of certain blocks of land. As the act now stands, a six-section block may be removed from an eligible township if the yield is more than ten bushels an acre. As always happens, there are farmers who have complete crop failures under the provisions of the act, that is, a yield of less than eight bushels per acre. As long as the rectangular provision is maintained when taking out certain blocks of land you are going to take out a number of farmers who in fact have crop failures.

Mr. Gardiner: Perhaps I did not make myself clear. This applies to both.

Mr. Argue: I am glad it does. That is one more point in the minister's favour, and I hope he will keep on making others as I go along.

On March 23, 1950, as reported on page 1039 of *Hansard*, I asked the Minister of Agriculture if consideration would be given, in the amendments to be presented this session, to making the half-township unit apply to all sections of the act. The minister replied as follows:

> We brought in an amendment last year which to all intents and purposes does that.

I have received a number of representations from farmers living in half townships where the yield has been less than four bushels to the acre, but who were not able to qualify under the act as it is now constituted. When an area is established as a crop failure area, if the department can find half a township outside of that area, perhaps in another province, perhaps a thousand miles away, then the people in the half township can obtain a payment based on the average crop yield in the half township. As I say, a number of instances were brought to my attention last fall in which a township had become eligible for the $1.50 per acre payment—the average yield in the township was between four and eight bushels per acre—but within that township there was a large area a half township or more in which the yield was less than four bushels to the acre. Those farmers could not obtain the $2.50 per acre payment because the average was based on the whole township.

I might demonstrate what I am trying to point out by referring to a specific case that was brought to my attention. I could give the legal description of the township, but I do not think it is necessary for my purposes. The average yield was slightly over four bushels per acre. As a matter of fact for all the farmers within the township the yield exceeding four bushels per acre amounted to only 288 bushels, according to information from the farmers concerned. That meant that because a farmer had one-fifteenth of a bushel per acre more than the four bushels, he was denied assistance to the extent of $1 per acre. It amounted to about ten bushels of wheat for each farmer. Each farmer had ten bushels too much and was thus prevented from getting the larger payment. In other words, because the farmers in that township had $15 worth of wheat more than they should have had, they could not get the larger payment, and were thus denied payments up to $200 in the form of prairie farm assistance.

The north half of this township had almost a complete failure. The south half had somewhat better crops, but the yield was still under 8 bushels per acre. The average for the two halves meant that no one in the township was able to qualify for the $2.50 payment. I would hope that the half-township provision which is now applied in certain areas as long as they are removed from the crop failure area will be made the basis of payment under the act.

There is no doubt that the Prairie Farm Assistance Act has been of real benefit over the years to western Canada, particularly to that part of it which comprises the high risk crop area. While the act has been of real benefit in many respects, it is becoming less beneficial with each succeeding year. The payments under the act have remained the same since 1939, while during that ten year period the costs of farm production have practically doubled. It is true the one per cent deduction has remained the same, but because of the much better price of wheat and other grains at the present time the government can expect to get almost three times as much revenue with this one per cent deduction.

The largest amount that any farmer can receive in the form of prairie farm assistance is $500. Where a man is farming 400 acres of land, $500 is just a drop in the bucket. It would not even pay his seeding operations, much less the varied farm costs and the farmer's own cost of living. I should like to see the payments under the act increased. On the basis of present farm costs they should be increased to at least $5 or $6 per acre.

The Saskatchewan wheat pool organization, at their convention last fall, supported an increase in prairie farm assistance, though

half or more of the delegates came from areas where there were not crop failures last year, and where crop failures are not usually experienced. Therefore, Mr. Speaker, while I welcome some features of the resolution, I should like to see the amount of payment increased.

I hope also that the time will come when areas added to an eligible township may be added on the basis of a section of land. While the rectangular provision is being removed, apparently the area cannot follow a zigzag pattern if the crop failure which occurs follows such a pattern. I hope that the half township may be made the unit throughout the act, in order to remove the discrimination that exists in the present legislation between persons living within a crop failure area and those living in a half-township outside the crop failure area.

Mr. Robert Fair (Battle River): Mr. Speaker, it is not my intention to take much time in discussing the resolution now before the house. The matter has been considered at considerable length, both in the house and in the standing committee on agriculture, since the act was first passed in 1939. The Minister of Agriculture (Mr. Gardiner) might have saved himself a lot of time and difficulty in the house if he had accepted many of the suggestions made from time to time in earlier years as to the operation of the legislation. I am glad to see that little by little he is accepting the views of many of his own supporters as well as members of the opposition, by bringing the act into conformity with requests that have been made.

As to the first amendment proposed by the resolution, I think we should wait until we have more information from the bill or otherwise before saying very much about it. We are in complete accord with the second part of the resolution, with the exception that we would like the minister to go a little further. He is learning to walk little by little, and if he could just take one more step it would be helpful. If he is not satisfied to bring it down to an individual basis, then let him bring it down to a section basis. Even during the past year we have had many complaints from farmers, who have had crops that were next to a failure, because they have been put into an area with farmers who had a good yield, and were thus denied the benefits of the Prairie Farm Assistance Act. I feel that is not the intention of the act, and if it were brought down to a section basis many of those in difficult financial circumstances would be able to receive the benefits of the legislation.

As to the third proposal suggested by the resolution, I do not feel that we have any complaint against it. Perhaps it will remove some of the complaints of eastern farmers about the high price of feed. If it does not have the desired effect, I suggest that the profits of the dealers should be investigated because I feel that there lies most of the trouble as to the high prices that the eastern farmer has to pay. Western producers cannot be expected to take lower prices than they are accepting at the present time, particularly in view of the sacrifices they made during the war and for many years prior thereto. When the measure goes into committee we may have further questions to ask in order to get definite information, particularly about the first suggested amendment.

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

Mr. Wright: I should like to ask the minister a question about the first part of the resolution, which reads:

> That it is expedient to bring in a measure to amend the Prairie Farm Assistance Act, 1939, to exclude certain areas of land from the operation of the act.

I understood the minister to say that this applies only to lands which have now been declared community pastures.

Mr. Gardiner: No.

Mr. Wright: If it does not apply only to community pastures, then does it apply to provincial lands sold under a thirty-three year lease? In Saskatchewan school lands are being sold to individuals under a thirty-three year lease. I believe some of the farmers' co-operatives hold their land under a thirty-three year lease. Would the amendment to the act exclude those lands from payment under the Prairie Farm Assistance Act?

Mr. Gardiner: It will exclude lands to which title is held by governments, whether they be federal, provincial or municipal. If land is sold to someone under an agreement of sale, I presume he will hold it in the same way as any person holds land under such an agreement; but if it is land to which the clear title is held by the government, and not by anyone else, payment will not be made. Our argument is that when the government leases it, no matter under what kind of lease, it must be responsible for seeing that the individual gets the land on a lease under which he can make a go of it. If it is the federal government, then we should not take money out of the tax payments of the people of Canada to help to pay rent on land that an individual is working. The same thing should be true with regard to a province or a municipality. If the land is not worth anything, there should not be any rent for it. If it is worth only fifty cents an acre, the rent should not be more than fifty cents an

acre. We should not put people on land that is not worth anything, or is not worth the rent being charged for it, and then expect the taxpayers of Canada to help to pay the rent.

That is the general plan. It does not apply to the lands referred to a few moments ago by the hon. member for Assiniboia and by the hon. member for Melfort—lands that have already been taken into community pastures. It is presumed that individuals will not be able to go back on those lands. For example, we own the lands we have in community pastures in Saskatchewan, and we own them for the purpose of seeing to it that an individual does not get back on them. Once we put a fence around the pasture there is no difficulty about those lands. On the other hand, if we go to Saskatchewan, Alberta or Manitoba looking for lands to be put into community pastures, we may find that one or other of those governments has leased these lands to an individual, and therefore they are not available. We may be able to get possession of surrounding land, but that particular area is not available because it has been leased. We maintain that if it is going to be leased under those circumstances, then whoever leases it, whether it be the federal, a provincial or a municipal government, they should make provision for the individual, and it should not be made out of this fund.

Mr. Quelch: Do I understand the minister to say that all land in the special areas of Alberta which is under cultivation lease will not be eligible now for payment of the bonus? The minister knows that in Alberta land is divided into two classes. Land that is considered unsuitable for cultivation is leased on a grazing lease, and it cannot be cultivated. Land that is considered suitable for cultivation is leased for a period of twenty years under a cultivation lease. Do I understand the minister to say now that all that land cannot be eligible under this act? If so, it is going to affect adversely a great many farmers.

Mr. Gardiner: I understand it is perhaps two thousand quarter-sections, which is a considerable area of land scattered here and there, some of it in blocks; but if we permit that to go on I am afraid we shall not have a Prairie Farm Assistance Act at all in a very short time. Within the last few months we have found that as many as thirty-six quarters within one township have been leased in the areas where we are of opinion pastures should be formed. If that sort of thing is permitted to go on, I am quite sure the taxpayers in other parts of Canada are going to take very strong exception to it.

For example, we find this in certain areas—and I do not want to go into too many details, because in doing so I may tread on somebody's toes. We find cases in which individual farmers are unable to collect on more than one 400-acre area; but by leasing a piece of land alongside through some member of the family the amount can be doubled, or if two members of the family lease land it can be trebled. It was in checking lands in connection with that sort of thing that the difficulties were discovered, and of course that cannot be permitted to continue if we intend to keep this legislation in operation.

Mr. Quelch: The minister knows very well that originally that area was settled on a half-section basis. Over a period of time the farmers found they were not able to make a living on a half-section; many of them got into financial difficulties, and the land was offered for sale for taxes. The provincial government put up an initial bid; the mortgage companies claimed the land was not worth the amount asked, and let it go, which made it possible for the provincial government to lease back to the farmers areas of land considerably greater than a half-section. A half-section is not sufficient in that area to provide a living; so we find areas up to 2,000 and sometimes 3,000 acres being leased to individual farmers, and on that basis they are able to make a living. So far as cultivating land is concerned, the provincial government has made it a practice to grant cultivation leases only on land considered suitable for cultivation. The land is good; the only thing wrong with it is lack of moisture. In the initial stages those farmers were encouraged by the federal government of the time to go there and settle on a half-section basis. The government opened up the land and encouraged the people to go there. The people went there, and great sacrifices have been made in that area. The Prairie Farm Assistance Act was brought in to help out those farmers. Now I understand that under this legislation about eighty per cent of those farmers are to be declared ineligible for the bonus. Why, it is just going to cause a riot up there. The minister says the provincial government can pay, but he knows very well that is not the solution of the problem.

Mr. Gardiner: May I ask what are the terms of those leases?

Mr. Quelch: They vary from one-eighth to one-fourth of the crop, a very small amount. Actually it comes to less than the taxes used to be. It is cheaper for the farmers to pay on that basis than it used to be to pay taxes,

and far cheaper than the rate of taxes in other areas, where they run to $70, $80 and $90 per quarter section. The amount they pay is considerably less than that.

The minister knows the solution—it is irrigation. The government has been talking irrigation ever since 1922. It is true that certain amounts of money have been voted during each of the past three years or so, and they are doing a certain amount of work now, but we are still a long way from getting that land irrigated under the Red river diversion project. So far the only thing the government has done, apart from making surveys, has been to put up small dams to create reservoirs from the run-off water. Unfortunately, however, in very dry years there is no run-off water, and just at the time we need the water most for irrigation it is not available. Now the minister is just going to get out of the whole thing by declaring that no bonus will be paid on land under lease from the government, though all the land in that area is under lease with the exception of the odd section here and there which is privately owned. The minister is now asking us to support the proposal that this whole area in Alberta shall be declared ineligible under this act unless it is privately owned, and I do not think he can present one argument to show that this is fair.

Mr. Harkness: Do I understand from what the minister and the hon. member for Acadia have said that if there is a section of privately owned land in a certain area surrounded by land provincially owned and leased to the farmers, the people who own the land will continue to get the P.F.A.A. payments but that those who have leased land will not get those payments? Is that the situation?

Mr. Gardiner: The people who have title to their land or have it under agreement of sale, though they may not have clear title—that is, the people who own their land in the sense that land is owned all across the country—are entitled to payment under the terms of this act. But if such a person or some other person goes on a piece of submarginal land and takes a cultivation lease, with the land still belonging to the government, whether it be this government, a provincial government or a municipal government, the amount is not payable on that land.

Mr. Harkness: Let me get this clear. Take a township half of which is privately owned by individual farmers, with the other half owned by the provincial government and leased by those farmers for cultivation purposes. If they have a crop failure do I understand that they will get P.F.A.A. payments for the half they own but will not get those payments for the other half they have leased? In other words, though only half that township is privately owned, if there is a crop failure throughout the township so that the total amount of cultivated land produced less than four bushels to the acre, will those people get the assistance for the half of the land which they own?

Mr. Gardiner: They will get assistance on the basis of the land they own, which means they can be paid on half their cultivated acreage up to 400 acres. If a man is cultivating 800 acres it does not matter where it is, whether it is in that area or anywhere else; he is paid only on 200 acres, and that would continue to be the case with land owned in any part of the entire area. If he had land elsewhere, outside that area, it would not come into the picture. The sort of area that creates trouble for us, and which I am sure every hon. member would agree should not come in, is where you have an area that has been declared submarginal, or if it has not been declared so at least we have paid prairie farm assistance for every year but one of the eleven years we have been giving that assistance, which very definitely shows that people cannot farm in that area. Some of it is land which in the thirties, prior to the war, had been allowed to go back; the people left it, in some cases, and it remained uncultivated. In other areas the individuals who purchased the land simply dropped it and let the payments go, so they do not own it now and finally it has reverted to the government. A farmer and his son may live on a section alongside land of that kind. The farmer may have 400 acres broken, so we would pay him on 200 acres. Then the son gets a cropping lease on the next half section, and he has another two or three hundred acres broken there. By breaking that land you can bring in all that block. You can get it in two 400-acre blocks, and cause P.F.A.A. to pay on all of it. We find we have been doing that; and if we go on doing that year after year, and those cases keep multiplying, I can imagine what will happen eventually, and what would have happened if the opposition had found it out first. I was pleased that I found it out last summer when we were looking for areas to put pastures in; because I know what would happen to this government if we let it get out in the public accounts committee as something which was raised by someone else that we pay out thousands of dollars, and maybe it might run into hundreds of thousands of dollars on payments of that kind. We paid out $20 million last year. If we pay a considerable part of it out of the treasury on submarginal lands that are owned

by the government, whether it be this government, the Alberta government, the Saskatchewan government, the Manitoba government or one of the municipal governments, I am quite sure that before we got through with the discussion, if we had not blown the act up, we would have come close to it.

Mr. Argue: As I understand the minister, it is not a case of changing the act now so that payment will be made only on land that is not submarginal. What the minister is saying is whether or not payment is made on a given piece of land will depend on what type of lease it is held under or whether it is held on a title basis. If the minister wants to change the act so that payments are made only on land suitable for grain and if at the same time he will do something else under the Prairie Farm Rehabilitation Act to rehabilitate these people who have been taken off submarginal land for wheat production, that is O.K. But what the minister is suggesting now, as I understand it, is not that they are going to remove submarginal land entirely from the application of the Prairie Farm Assistance Act, but that the government is going to remove entirely land owned by the provincial government or other governments and leased to farmers within the various provinces. I think that kind of policy of the government is most discriminatory. I do not think this government should be attempting to dictate to the government of Alberta or to the government of Saskatchewan by what method they should dispose of provincial land. Over the last few years in Saskatchewan we have leased a great many parcels of land to young veterans on the basis of a 33-year lease. I should like to know if the government is going to continue prairie farm assistance to these veterans under that type of lease.

Mr. Gardiner: There is a special provision in the bill which says that the co-operative farmers are covered by the bill.

Mr. Argue: That is O.K. for the co-operative farmers. What about the veterans who are on individual farms?

Mr. Gardiner: There is a special provision in this amendment which provides for them, as I said in presenting the legislation.

Mr. Argue: That is O.K. for individual veterans. All right, then, what about the civilian who is living in an area where the land is not submarginal, where it is definitely good wheat land,—

Mr. Gardiner: Someone had better buy it.

Mr. Argue: —where the farmers and the government agree on the basis of past history, and remembering that they have a government at Ottawa not too sure that it is going to get rid of wheat at decent prices, that it is good business for the farmer and it is good business for the country for the farmer to have a 33-year lease under which he will pay from one-sixth to one-eighth share of the crop at the end of each year? At the end of ten years, he may buy it if he wants to. But this government should not tell any other government how it should dispose of its land. If this legislation goes through, I do not know what will happen; but I know that, as has already been said, a great many people will be angry. The Saskatchewan government may be forced to reverse its agricultural policy, even though it knows it is not in the best interests of the people, and sell that land. But are you going to ask a man to assume a large debt in order that he may qualify for prairie farm assistance? Another thing the minister said was that now in some families you have one or two sons that are renting lands that actually constitute one unit. We have had a long fight over the last few years to get the government to make that bonus payment on land farmed by young farmers, even though that land is rented. Does the minister mean now that no rented land can be eligible for prairie farm assistance?

Mr. Gardiner: I will send my hon. friend over a copy of the bill, and he will be able to discuss it to better advantage.

Mr. Argue: I appreciate that. But I certainly have the strongest possible objection to what the minister has already told us.

Mr. Quelch: I think the minister should clarify the position with regard to the last question asked by the hon. member. Does this definitely mean that all land that is leased will not now be eligible for the bonus?

Mr. Gardiner: No.

Mr. Quelch: That is, under lease from the federal, provincial or municipal governments?

Mr. Gardiner: If it is under lease from the government under the kind of arrangement which the returned soldier has under the Veterans Land Act and that kind of assistance, then under the bill as it is at present drawn payments are not made on that land.

Mr. Quelch: This is supposed to be a drought bonus, to take care of drought in the area.

Mr. Gardiner: That has been repeated about four times, that it is supposed to be a drought bonus. It is no such thing in these cases.

Mr. Quelch: Originally it was.

Mr. Gardiner: No; it was not originally either.

Mr. Quelch: Whether the minister would agree with that or not, across Canada it has time and again been referred to as a drought bonus. I am not going to argue the technicality, but it was largely to compensate the farmer for loss of crops due to drought and other reasons, but mainly drought. Now, as a result of the passage of this legislation, it will mean that the majority of the farmers in the drought area will no longer be eligible for the bonus.

Mr. Gardiner: No.

Mr. Quelch: That is what it will mean in Alberta. Certainly it will mean that, because the major part of the drought area in Alberta is in the special areas; and the majority of the land in the special areas is already under lease from the provincial government, and now all that land in the area, is declared ineligible. That forces me to vote against the motion. I could not possibly support it.

Mr. Wright: I do not think there is anybody who objects to land which consistently has had to have P.F.A. paid on it being withdrawn and having something else done with it; either put it into community pastures or put it back into grass and move the people who are on it onto land where they can make a decent living without having to receive the P.F.A.A. bonus from year to year. But it is not on the basis of whether the land is marginal that we are excluding it. It is on the basis of the type of ownership that that land is held under.

Mr. Gardiner: No.

Mr. Wright: Yes, absolutely. That is what the act says or what the minister has said. He has said that if the provincial governments own the land and they have leased it to individuals for cultivating purposes, and if there is a crop failure, they are not entitled to payments under the P.F.A.A., whether it is in a marginal area or not. In the northern part of the province there is a good deal of school land which has been held under a 33-year lease from the provincial government. Occasionally we get a crop failure there; it is only once in every ten years, but we pay one per cent every year. Now you say that these lands, because they are held under a 33-year lease, or a 20-year lease, or whatever the lease may be, from the provincial government, are not entitled to payment. But every bushel of grain that is grown on that land has to pay a one per cent levy. Is the minister going to exclude the grain that is grown on this land from that levy? If he is going to withdraw the payments, certainly he should exclude the grain that is grown on this land from the one per cent levy, because otherwise he is puting a tax in perpetuity on the grain that is grown on that land and is saying to the people who are growing the grain, "You can never get a payment under the P.F.A.A."

Mr. White (Middlesex East): There are other lands in Canada that are submarginal besides those in Alberta or in the western provinces. Under the present set-up they never hope to get anything but they always have to pay something, as I understand it. I should like the minister to tell me how much payment has been paid under this act in each of the years from 1939-1949; because I understand the intention was gradually, and as far as practical, to remove from cultivation these lands that were not giving good yields and to put them into pasture. But if we were going to go on spending more money each year, as remarked by the minister some time ago, the people were going to object to these payments in time and they would find out that some of us were paying too much for this type of legislation. In fact, as I understand it, the two acts are working one against the other. One is trying to build up an area and the other is trying to keep people on land when they should be somewhere else. I should like to have the minister make a statement as to what it has cost each year. Does the one per cent that is collected cover the cost?

Mr. Gardiner: The one per cent that has been collected up to date has resulted in a fund of $45,008,887.31. Therefore we can say it is $45 million. The payment out has been almost $125 million; it is $124,749,758.15; but one can I think remember it best by saying that $45 million has been paid in on the basis of one per cent, and $125 million has been paid out up until now.

I think I should give the year by year payments in round figures rather than read them all over. In the first year it was $10 million; in the second year $6,750,000. The first year was 1939.

Mr. Smith (Calgary West): Is that collections or payments?

Mr. Gardiner: These are payments. In 1941, the third year, the payments were $15,500,000. There was nothing at all in 1942, although the collection went right on that year. In 1943, $7,500,000; in 1944, almost $6 million; in 1945, almost $17 million; in 1946, $10,800,000; in 1947, $17 million; in 1948, $14 million; in 1949, $20 million, a total of $124,749,758.15.

I might indicate how the collections run. In the first years, of course, the price of grain

was low, and while the total amount of grain marketed was much similar to what is still being marketed, the amount collected was much lower because it is one per cent that is collected and not so much a bushel. In the first year the amount collected was about $2,500,000; in the second year it was about $2,500,000; the third year was a very poor year, and about $1,500,000 was collected. In the year 1942, $2,700,000 was collected and in 1943-44, when the prices got higher, $4,700,000 was collected. In the next year, $5,300,000; in the next year, $3,400,000; in the next year, $5,100,000; in the next year $5,100,000 and in 1948-49, $6,600,000. In 1949-50, the year we are now in, it has amounted to $5,350,000 up to the present, but we have not completed the crop year yet.

Mr. White (Middlesex East): Why not increase the payment of the one per cent? Why not increase it to three per cent and let the western provinces pay their own insurance? Why ask the rest of Canada to carry this?

Mr. Fair: I believe I can answer that question very well and save the minister the trouble of doing it because it might be embarrassing to him. I suggest that the amount paid to the western farmers on this insurance is not a drop in the bucket as compared with the losses that have been sustained by the farmers of the west in accepting government policy and the resultant low prices during the war years. I think that is a conclusive answer to the question. There is also free freight feed grains that many eastern farmers have taken advantage of; but do not let us forget that there are other subsidies that people would like to hear about. Perhaps we can give them a little later on in the debate.

Mr. Wright: I asked the minister whether he was going to continue the collection of the one per cent levy on the grain grown on those lands which he is going to exclude from payment under this Prairie Farm Assistance Act, under the proposed amendment.

Mr. Gardiner: I think probably I can best answer that by saying to my hon. friend that I can hardly conceive of his ever drawing anything on the land that he farms.

Mr. Wright: Quite right.

Mr. Gardiner: I do not conceive of my ever drawing anything on my farm.

Mr. Johnston: There is a chance.

Mr. Gardiner: Not much chance. We have gone on now over the worst years we have ever experienced, and we have not collected any yet.

Mr. Johnston: You are not excluded.

Mr. Gardiner: We are excluded in a sense. I had this all out with an area down at Gladstone, in Manitoba, the first year that we had the bill. I was invited there by the people of the area and they had the reeve of the municipality in the chair. They had the hall packed, and I was not supposed to have been able to get out of there with a whole hide when the meeting was over. I went and met the farmers there and I said to them: On the estimate that we made when we put the bill through this house we said that there would be about $3 over a long period, say twenty or more years, taken out of the treasury for every $1 that is paid into this fund. The house accepted that; and in answer to my hon. friend who spoke a moment ago, all the issues which he suggested a moment ago were then brought up in the house and threshed out; and finally it was unanimously accepted. I think I am right in saying that we finally got the amending bills associated with this matter through the house almost unanimously on every occasion.

What I said to those people then is what I say today. I said to them: "You tell me that because you have never had a crop failure, and you never will have one, you should not pay anything into this." I said: "If I have got to admit that, I have got to go back to the house and say that the people in Montreal and Toronto who never will have a crop, let alone a crop failure, should not be asked to pay into this." I said: "I do not know of any way that you can set up crop failure insurance in western Canada that could be carried on a basis of charging it up to the land itself." I do not know of any system under which it could be done.

Since, we have proven that it could be done in Manitoba. We have proven that it might be done in about one-third of Alberta. It could not be done over the whole province of Alberta; and we have certainly proven that there would be no possibility of doing it at all over the province of Saskatchewan.

Mr. Wright: It could up in northeastern Saskatchewan.

Mr. Gardiner: Still the province of Saskatchewan produces half of all the wheat that is produced in Canada, and wheat itself provides, if not the greatest, the second greatest medium from which we obtain new wealth year by year in the country; and it certainly provides the greatest tonnage of exports, with one possible exception, that is shipped out of this country to bring into the country new dollars or new wealth of one kind or another.

We argued at that time, and we still argue, that on that basis everyone in Canada has some justification for believing that it is a

good thing to keep that country operating, and to give it a sufficient amount of insurance to carry along; but I do not know of any arrangement under which we could do it and argue that the farmer who is never going to have a loss in western Canada should not pay anything and the other fellow should attempt to pay it all; or even any basis upon which you can say that the farmers who are never going to have a loss should pay sufficient in in order to take care of the other group that are operating in the interests of all Canada. We have been able to maintain this legislation on a co-operative basis. I had hoped we would not get into a discussion of that general question. We have discussed it before; we have threshed it out; we have finally come to the conclusion—that is those of us who were here at the time. I am sure the same thing would happen all over again if we discussed it long enough—that this is one of the best pieces of legislation that we have in the country from the standpoint of all the people of Canada.

Mr. Argue: Don't spoil it.

Mr. Gardiner: The reason we do not want to do things that are unreasonable, that other people cannot accept, is that that would spoil it.

I am quite prepared to argue here in the house, or anywhere out in the country in the area that is concerned, or anywhere else, that to deliberately go on year after year making payments to make it possible for people, without investing any capital in it at all, to get onto submarginal lands in western Canada, which ought to be in pasture, and try to farm them is wrong. I am prepared to go anywhere and argue that payment under this act should not be made in such cases. Then, coming back to the questions asked, it has been suggested by most of the members who have spoken critically of it that if this was going to result in lands that are to be in pasture remaining in pasture, and lands which are submarginal being in pasture, and the private lands outside being in a position to be farmed, they would then be prepared to consider the matter more or less favourably.

Now the present position, as it has been stated by the hon. member for Middlesex East—and he has stated it correctly—is that we have been told in the house, I have told it to the house on many occasions, that we have two acts, one of which is the Prairie Farm Assistance Act, and the other P.F.R.A.

Under P.F.R.A. we offer to take any lands that are submarginal, put a fence around them, regrass them, put water in them and then allow the farmers who are located round about to organize themselves into pasture areas and put their cattle up to the number of two-thirds of all that that area will accommodate into those pastures from year to year at a small fee. We have a million and a quarter acres of that land organized today on that basis. This government has purchased the lands that had to be purchased, and paid for them. They have assisted people to move off those lands and to go somewhere else. They have helped those people to get lands, and resettle themselves somewhere else. We have gone on to say that we are prepared to do that in Manitoba, prepared to do it in Saskatchewan and prepared to do it in Alberta. Now, so far, we have not got any lands in Alberta under that plan.

Mr. Quelch: The provincial government have leases.

Mr. Gardiner: If they wish to run some show of their own, then I have no objection to their doing it. But I hope they will not expect the taxpayers of Canada to pay for a plan which has not been worked out here and agreed to in the House of Commons.

Mr. Quelch: That has nothing to do with the cultivation lease.

Mr. Gardiner: It is a very simple matter for the government of the province of Alberta to organize those areas so as to bring them under the act, even as we are proposing to draft it today. But I do not think they should ask the government of Canada in Ottawa or ask this House of Commons to do for them what it is not necessary to do in order to have the matter dealt with as they want it dealt with.

I agree that there are lands all through the constituency my hon. friend represents—I have driven over practically all of them—which should never be farmed, as the hon. member knows. And I know he would never be a party to saying that they should be. Then there are other lands there which are very good, and ought to be irrigated. And both the provincial and the federal governments are working toward that end. Then there are lands in that area owned and operated by private individuals. They have been living there a long time, and by getting a sufficient area around under lease from the government or from somewhere else to be used for pasture, they can live there, and live just about as well as they could live anywhere else.

But I do not think any of us are worrying very much about what the proposed bill is doing to those people. We certainly do not want to do them an injustice. But we do want to put this legislation in shape whereby no one can come into this House of Commons

and say, "You are paying money out on submarginal lands which are owned by a government and should be under pasture", this government is prepared to put it under pasture for the common good and someone deliberately goes on it and gets a lease, and makes it impossible to do that. I do not think the House of Commons wants us to pay to continue that.

I think there might be some good in the suggestion made by the hon. member for Assiniboia at the beginning of his remarks. There is just the possibility that out of the discussion which might take place in committee some who are now afraid of this legislation might be convinced that it is all right. There is just the possibility that some also may be able to bring forward some suggestions which would result in allaying to some extent the fears now held by some hon. members.

But I hope that nothing will come out of committee which will make it possible for anyone to continue going around and picking off pieces of land which they can get on leases, and into which they can put $100 or $200 or $300, and then pull out of this government $200 to $500 to make it possible for them to live there for a year. I hope that will not be permitted by anything that is done in committee or in the house. However, I am quite prepared to see that when the bill receives second reading we send it to committee so that we may have it threshed out in committee, so that we may know what the facts are, and then have our legislation go through with everyone understanding what is meant.

Mr. Wright: I agree with the minister that the bill under the circumstances should go to the committee on agriculture. However, I should like to clear up one point. There was one question which, by the way, he did not answer, although he spoke for thirty minutes. I did not say anything about the one per cent levy being paid in my constituency and in his own area by people who never hope to obtain anything out of the act. I have been in the house for some considerable time, and this act has been up for revision six times, and no one has ever heard me raise my voice against paying the one per cent levy, except in respect of a few individuals, so as to assist in making the act workable in the southern part of the province.

But now he is excluding lands in the southern part of the province where there will be crop failures, and where they will not have the money to pay the one per cent levy, as we have in the north, where we are fortunate enough to grow good crops. However, I do not wish to prolong the discussion now. That can be discussed in committee.

Mr. Gardiner: I shall answer the question. I do not think we should be agreeing to any lands in your district or in my district or any other district being under this act where the land itself will not show as much as one per cent earnings. And the suggestion is made that there are some of these lands on which they are paying up to one-ninth or one-eighth of the crop into the provincial government. It could be into this government or some other government. Well, one-eighth is not much and one-ninth is not much. But on some farms that would get close to being the $200 or $500 in some cases that can be paid out under this act. And in those cases I do not think anything should be charged by the government that owns the land, whether it is just a tax or what it is. If it is just a matter of making it possible for the man who lives alongside and owns some land to continue living there, then I think a man should have the use of that land, and that he would not need prairie farm assistance.

Mr. Wright: The minister has provoked me again. As I understand it, one of the reasons that P.F.A. was paid, and accepted by the rest of Canada, in the southern part of Saskatchewan or in the Palliser triangle, was that certain lands in that area were put under cultivation at a time when those lands were under the control of the dominion government. That was during the first war. They were put under cultivation to produce wheat, because we needed wheat at that time. Therefore it was the responsibility of the federal government that such lands were put under cultivation.

As some compensation to the provinces, when they took over the lands so as to maintain those people there, and to help them move out of those areas, the P.F.A.A. was introduced, and the P.F.R.A. was brought into effect.

Mr. Gardiner: But under the act as it now is, when a person refuses to move from pasture land he is not paid. I think that when people are deliberately moving back into the area that is known to be submarginal they should not be paid either. That is all this measure is intended to do, and that is what it does do.

Mr. Quelch: No one would contend that a bonus should be paid on land which is definitely submarginal, and if this measure were ordered so as to accomplish that it would get our support. But that is not what it does. It merely says that land that is privately

owned, whether submarginal or not, so long as it has not been declared submarginal, shall receive the bonus; but land which is under lease from a provincial, municipal or federal government will not be eligible. You may have two sections side by side, one section of submarginal land privately owned being eligible for the bonus, the other section held under a provincial lease not being eligible. The minister says that it rests in the hands of the provincial government, that they can overcome the difficulty. I suppose the provincial government could sell the land back to the farmer. Is that what the minister is advocating? Is that what he meant by his statement?

Mr. Gardiner: I was the minister in charge of a lot of these things in Saskatchewan for a number of years and I have travelled over most of the province hunting for land which the provincial government owned and on which anyone could live. I challenge any hon. member in the other corner to tell me of lands anywhere in Saskatchewan that are not held by someone other than the government and that people would think of settling on and making a home. We hunted for land away up in the north. Some people now say there are a million acres that people could settle on. Certainly down in the part of the province we are talking about every acre of land on which anyone could make a home has been taken up long ago by homestead or pre-emption.

Much of the land we are talking about is land on which no one under any circumstances would have settled ten or twenty years ago. But some people take a cultivation lease on it now because it is close to their home farm and because it might be possible to obtain payments under the Prairie Farm Assistance Act. We must stop that sort of thing if the act is going to go on.

Then there is land which people have settled on and have tried to live on. But they found they could not and they got off. In my constituency an application was made under this act in the first or second year the act was in existence. The act definitely provides under its terms and regulations that land which has been broken up and allowed to go back to prairie shall not be eligible. If any one had asked me if this particular block of land had ever been broken up I would have said it had not. I have been driving across that ever since I was in the district and it is quite a large area. When the protest was first made that no payment could be received because it had been broken up, I questioned that and took the trouble to go and look at the land. When you searched carefully you could still see the furrows running all through the land which showed it had been broken up away back in the eighties or nineties. That particular land had a gravel subsoil and it has been in pasture ever since. But in the early days they attempted to break it up and farm it. These safeguards are against practices such as that, to prevent people going onto land that no one should go on. It is to withhold land that should be organized into pastures to be utilized by the people in the area. It is to prevent people from being encouraged to go onto this type of land which has been proved to be not fitted for successful farming that the amendment is proposed.

Mr. Quelch: The minister knows very well that it goes far beyond what he has stated. The land I have in mind has been farmed consistently for twenty or thirty years or more. The only trouble is that it is dry. The minister knows these special areas probably as well as I do. There are large areas of this dry land that could produce good crops if irrigation were possible. Surveys have been made to see whether water could be put on these lands. The difficulty about this legislation is that it denies a bonus to land which is held under lease from the porvincial government, regardless of whether or not the land is good.

Mr. Gardiner: No.

Mr. Quelch: The minister shakes his head and I am a little more hopeful. I hope I am wrong, but I understood from the minister that any land held under lease from the provincial government would not be eligible for a bonus. Am I wrong in that? I hope I am.

Mr. Gardiner: I would not go so far as to agree that any particular piece of land that happens to be owned by the government would be out, but I will say that the general principle involved in the amendment is that it is not our intention that land that people would not take up to farm on their own should receive benefits under the Prairie Farm Assistance Act if leased from the government.

Mr. Quelch: The minister knows that the land I am referring to was considered good enough to be taken up. Because of circumstances some of these people were forced to lease their land but they continued to farm it. They proved that it was possible to farm the land. The minister says that not all land held under lease from the provincial government will not be eligible for bonus. Does he mean that there will be consultation between the federal and provincial governments to decide as to what leased lands will be eligible?

Mr. Gardiner: The provincial government will be free to handle the lands in such manner as to bring them under the act.

Mr. Quelch: Does the minister mean that the provincial government can sell the lands back to those who are leasing them?

Mr. Gardiner: I understand that there are people living in that area who still own land but who lease other land from the provincial government, some for pasturing purposes and some for cultivation.

Mr. Quelch: Some of them live entirely on leased land.

Mr. Gardiner: There are a considerable number of people in the first group and I think it is true that most of them would be able to draw the full allowance under the Prairie Farm Assistance Act without taking into consideration what they have leased. They must have large acreages in that area if they are going to farm at all, and a number of them have quite considerable acreages in addition to what they lease. Those people would have no worry at all so far as this act is concerned as they will draw on their full acreage.

Then there is the other group who have been leasing all they have. It is difficult to state in an act that one man who leases submarginal land from the government can be paid while another man who leases submarginal land from the government cannot be paid. We have not said that at all, but to do what is suggested will work out to that in actual practice. What we have said in effect to the provincial government is this: "Are you satisfied that this is the only way in which these people can operate for a time until they get established?" I ask hon. members to consider what that means. If the provincial government replies, "There is nothing we can do to meet the situation; there is nothing that is going to help him, he must have this legislation." Then I would say to them, "You had better find some way of allowing these people the use of this land other than by leasing so that somebody else can do something about it." Under the other legislation we are prepared to take up a lot of that land and put it into pasture and make it available to these people without any capital outlay. Having offered that, I do not know why we should step in and adopt some plan that somebody else puts up and have to pay for it.

Mr. Smith (Calgary West): All the more reason for a committee.

Mr. Harkness: I take it that the real purpose of this legislation is to prevent people taking up submarginal land, or where they are already on submarginal land to force them off it or attempt to force them off it.

Mr. Gardiner: The latter part of the hon. member's statement is scarcely correct. We are prepared to assist them to get off, but not to force them off. If we had been trying to force them off we would have had them off long ago.

Mr. Harkness: With the general principle of taking submarginal lands out of cultivation I am in complete agreement. So far as the provision proposed by the minister at this time is concerned, I think the difficulty arises over the fact that a straight clear-cut provision has not been introduced to withdraw submarginal land from cultivation, land which, as the minister says, in many cases is leased. Instead it is being put on the basis of land qualifying or not qualifying for assistance payments on the ground of the kind of tenancy. It does not seem to me that is a reasonable way to do it. I suggest it would be very much better to change the provision with regard to withdrawing land so that it will be on the straightforward basis of no assistance being paid on land declared to be submarginal. Under those circumstances I think you would accomplish your purpose much better than by the proposed provision of getting people to move off submarginal land and preventing them from moving on.

The minister has said much about the desire to put a good deal of this land under the P.F.R.A. As long as you continue to allow farmers to farm submarginal land and make payments to them under the Prairie Farm Assistance Act, you will not get them to agree to give up such land, move off and let it come under the P.F.R.A. From the point of view of general conservation measures, the protection not only of dry land but of other areas on the edges thereof from blowing, deterioration and so on, it would seem that a good deal of submarginal land still under cultivation should be withdrawn. With the exception of what I have suggested, I do not know what the particular means should be, but certainly from the point of view of long-range conservation measures there is no doubt we are still cultivating far too much land in the dry areas of Saskatchewan and Alberta.

As a boy I was raised on a ranch in southern Saskatchewan. It was beautiful ranching country, and it was opened up for homesteading. We then moved to Alberta. I have only been back once, in 1931, and I did not recognize the area. It was just a desert. There was a nice creek flowing

through the place that always had water in it, and you could not tell where the course of it had been. It had been completely filled in. Great holes had been blown out of the land. That happened to be worse than most areas but there are many of that kind that never should have been opened up for cultivation. They should never have been homesteaded. It was a serious error, but since it was done the best course now is to try to repair the damage by putting the whole area back into grass as rapidly as possible. I do not think we will do that by half measures. I think it is necessary to put both the Prairie Farm Assistance Act and the Prairie Farm Rehabilitation Act on a much more definite basis in order to make sure that submarginal lands will be taken away from the provisions of the P.F.A.A. and put under the P.F.R.A.

Mr. Argue: As I said before, I am not opposed to the government taking submarginal land out of wheat production provided that the people who are presently farming such lands are taken care of. I do object, however, to the minister attempting to dictate to provincial and municipal governments and to farmers as to how and on what basis they shall hold the land that they farm. It is certain that the land in the southwestern part of Saskatchewan presently owned by the provincial government is not all submarginal. I am sure the minister knows the area around Readlyn some of which is Sceptre heavy clay. The provincial government owns the odd piece of heavy clay land there, and it is certainly not submarginal for wheat production. It is some of the best wheat-producing land in the province of Saskatchewan.

The minister is saying that if a farmer wants to comply with the provisions of the Prairie Farm Assistance Act he will have to buy the land from the provincial government. Let us take the hypothetical case of a young farmer in the Readlyn district who owns a quarter section of land. He is just starting to farm and if he wants to expand he will have to go heavily in debt to buy more land. I am sure a half section in that area of that kind of land would cost $10,000. He will also have to buy a full line of equipment. Therefore he is most happy if he can get a half section of land from the provincial government under a leasing arrangement. Then he will only have to undertake the obligation of purchasing machinery, and goodness knows that is heavy enough for any man starting to farm at the present time. As I understand what the minister has said, a young man owning a quarter section of land and leasing a half section of Sceptre heavy clay land from the provincial government on a thirty-three year lease will not be entitled to payment under the act.

Mr. Gardiner: I am not talking about Sceptre or any other particular place, but I know Sceptre just about as well as my hon. friend.

Mr. Argue: I am not arguing that.

Mr. Gardiner: I think I know the whole southern end of the province, and I repeat that there is no area in that section belonging to the government that anybody would think was good enough and with sufficient area to start a settlement of people who were going to live on the land and cultivate it. A few moments ago the hon. member for Calgary East described an area in such a way that I am sure I could go there and walk over it, although I do not know where he came from. It may have been under a Conservative government but I believe it was under a Liberal government that some years ago after a lot of coaxing we permitted one or two ranches in that area to be opened up for homesteading. Just as my friend said a moment ago, if you go back there today you will not recognize the country. Everyone there will tell you it never should have been opened up. Some of the people own their land but it is altogether wrong to say that just because it is heavy land it is good land in the sense that we are talking about. Some of the very best soil I know of in Saskatchewan is south of Cadillac, about halfway between there and the border. We have 110,000 acres there in community pasture. It is much heavier clay land than a lot of the land being farmed in western Canada but it is on the ridge where the water runs both ways. On one side it runs to Hudson bay and on the other it runs down to the gulf of Mexico. It is rolling land and the water runs off so fast that no one can farm it for grain growing purposes.

We put 110,000 acres into pasture. Then we put 6,000 acres under water down in the valley at Valmarie, and today those people are living to advantage where formerly they could not do so at all. It is one of the finest areas in the southern part of Saskatchewan. I would not advise the house, and I would not do anything as a minister of the government, to encourage people to go onto that 110,000 acre pasture and settle there for cultivation purposes. I am sure anyone who has lived in the southern part of Saskatchewan would not suggest that should be done. You can go right over the area from one end to the other, and there are no lands owned by the provincial government that they or we desire to have put under a plow. I may say

for the benefit of some of my friends who have been talking about this matter that if they will discuss it with the government of Saskatchewan they will find that they hold opinions quite similar to those I am expressing.

Mr. Argue: The minister certainly has not answered my question at all. I asked him if a young farmer, or any other kind of farmer, who had a half section of land leased from a provincial government, which land, according to the best economic survey by the Department of Agriculture at Ottawa and the university of Saskatchewan, is at least second best land in that province, would be eligible for a bonus.

Mr. Gardiner: The kind of land this bill really covers, and the kind I have in mind, would never get that sort of certificate from anyone who knew anything about land.

Mr. Argue: That still does not answer my question. Of course the minister does not have to answer it if he does not want to, but it seems clear that one of the main purposes of this resolution is to try and force the governments of Alberta and Saskatchewan to adopt a different land policy than they have been following so far.

Mr. Gardiner: Oh, no, it is not. My hon. friend's views are so coloured by the opinions he holds with regard to socialism—

Mr. Argue: Speak for yourself.

Mr. Gardiner: —that he thinks I am always fighting his socialist government. Some of the opinions I am expressing here this afternoon I got while sitting in with them, discussing this question. I believe most people who know the situation do not believe we should pay prairie farm assistance when everyone knows the lands to be submarginal.

Mr. Wright: I agree with the minister in regard to moving people from submarginal land; I have said so three times. The minister said he had sat in and discussed this matter with the governments of Saskatchewan and Alberta. Did he discuss this amendment he is now proposing, with respect to excluding those lands?

Mr. Gardiner: I suggested to them that I probably would bring it in, and at the farm meeting in Saskatoon, at which representatives of all the groups were present, I said I was going to bring it in. I told them it was something they might find rather hard to take, but no one objected to it.

Mr. Quelch: I do not think the minister will claim that the government of Alberta is socialist. A large percentage of the land in the special areas, as he knows, is owned by the province. I believe he understands how that came about. He knows the history of that land; and he knows that the policies carried out in that area were very largely agreed upon and applied by Mr. Longman, of whom I believe the minister has a very high opinion. Under the act the bonus cannot be paid on submarginal land. That is definitely stated in the act.

Mr. Gardiner: On land the province declares submarginal.

Mr. Quelch: That is correct; and I would agree with the minister on any steps that might be suggested to take submarginal land out of cultivation, without causing injustice. But the problem is that under the resolution now before us a man who owns submarginal land can continue to farm it and receive the bonus, provided that land has not been declared submarginal by the provincial government. This resolution does not take care of that situation at all; it only applies where submarginal land is owned by a provincial government and leased to an individual.

Mr. Gardiner: No, it does not. As a matter of fact there is nothing we can do in regard to what the provincial government is going to say, but neither the government of Alberta nor the government of Saskatchewan has declared an acre of land submarginal since the act was placed upon the statute books. That is the first fact. They have never declared any of this land submarginal in the sense that this act says it must be declared.

Mr. Quelch: But they have taken it out of cultivation.

Mr. Gardiner: That was done long before. As a matter of fact the picture my hon. friend has in mind and that I have in mind began to be formed back in 1922. I believe it was commenced at least that far back. It was not under any of the gentlemen who have been mentioned when it was started, but it has gradually developed to the present position. It is only necessary to drive over that area to understand why that action was taken. When it comes to the other matter, however, knowing that both provincial governments had legislation on their statute books empowering them to declare any area submarginal and to commence to move people out of it, we put that provision in our statute. That was their own intention; those acts have been on the statute books of the provinces for a long time. So in this act we said that any land declared submarginal under that provincial legislation would not receive prairie farm assistance.

Then we set up the P.F.R.A., under which we organized this large area I mentioned a few moments ago, about 110,000 acres, some of which was owned by the government and

some by individuals. We bought out the individuals, and the provincial government gave us back the leased land. We had turned it over to them for nothing in 1931, and they gave it back to us for nothing in 1939 or 1940. We organized it into pastures, and bought up other lands to put in with it. Then we irrigated lands alongside it, in the Frenchman river valley, and people are living there and growing fodder, and stock is run in this large pasture. To any individual who wanted to live inside that fence we said, "You are on submarginal land, and you will get no prairie farm assistance." We have done that in every pasture we have set up, and those pastures now total some 1,300,000 acres in that area. To every person who wanted to remain there we said, "If you stay you remain under these conditions. In the first place, you have to get out through our fence. Then you have to put up with other people's cattle running around your place. In addition, you will not receive any prairie farm assistance; that is provided by our act."

Now we are going into other similar areas and saying we are prepared to put a fence around them and make pastures out of their land. There are perhaps only half a dozen or so people in the area, and we would like to have them move out. But now we find that within the last two or three years as many as thirty-six people have moved into one township in that area, and taken up crop leases. I do not think anyone in this house will suggest that we should continue to pay prairie farm assistance on that land. The situation is different in the case of a man who has been living on a piece of land for twenty or thirty years; who settled on that land years ago, when he did not know and no one knew what the conditions were. That man owns his land, or is living on it under an agreement of sale of some kind. He has managed to get along up to the present. We are not saying to him that unless he gets inside the pasture fence he must move off the land. We are saying, "Until we can find some place to put you we will help you along and pay the prairie farm assistance. Sooner or later, by obtaining this other land that still belongs to the province, to the municipality or to someone else, we hope to be able to get it organized into a pasture, and then we will help you move into an irrigated area, or somewhere else." In such cases we have undertaken to help a man take down his buildings; we have trucked them for him to his new location, and have helped pay the cost of putting them up again. So it is a matter of persuasion rather than compulsion, as my hon. friend suggested it might be. As long as we are going along with that policy we do not think we should turn around and assist people to settle in these areas, by taking over cultivation leases, and getting prairie farm assistance. We do not think we should pay it.

Mr. Quelch: The minister stressed the fact that Alberta has not declared any land submarginal under the act. On the other hand he knows they have taken a great deal of land out of cultivation. They have carefully surveyed the land in the drought area. Some has been classified as grazing land and some as cultivated land. The land that should not be cultivated is kept under grazing leases. So, while they have not declared it submarginal under the act, they have taken it out of cultivation.

The minister has had quite a bit to say about what the federal government has done in Saskatchewan in connection with building up pastures. The provincial government of Alberta has done exactly the same thing in drought areas. One would think the minister would appreciate the fact that the provincial government has established these pastures without assistance from the federal government, and has thereby saved this government a good deal of money. They have established a number of community pastures, and no one within those areas is allowed to cultivate the land. If the provincial government now disposes of some of the land at present held under cultivation leases, however, it will not have the same control over that land that it has at the present time, and I think the minister will realize that in that area it is necessary to retain control over the method of farming that is adopted. There was a great danger that they would become a dust bowl and therefore certain policies were adopted in order to ensure that they be not turned into a dust bowl. But if you were to sell back to private individuals that land which is held under cultivation leases there is no saying what type of farming may be adopted, and serious situations might be developed. The provincial government has had thousands of acres of submarginal land seeded down to crested wheat grass and let out on grazing lease. That has been taken out of the benefits of this act. In view of the fact that there are many farmers who have resided in that area for twenty or thirty years, but who today farm that land under a cultivation lease instead of holding the title, I think the minister will agree that these men should be entitled to the bonus just as much as the men who hold title to the land. I am wondering whether or not the minister consulted the municipalities or the provincial government before that section of the resolution was drafted. Is it just one of his own brain

waves or his department's, or did he arrive at this decision as a result of discussing the matter with the provincial governments and the municipalities out there?

Mr. Gardiner: Again I do not like to be repeating my speeches that have appeared in the press all over the country for months, but I did go to the municipal convention in Saskatchewan, and I went purposely to discuss this matter along with one or two other questions.

Mr. Quelch: Mainly section 2, the rectangular block.

Mr. Gardiner: No. I discussed the whole matter. If the hon. member wants it repeated just as I said it at the time, maybe I should do so.

Mr. Quelch: Go ahead.

Mr. Gardiner: The whole province of Saskatchewan was represented at the municipal convention; the representatives of the municipalities in Alberta were there and also the representatives of the municipalities in Manitoba. They come to these meetings from year to year. I rose to my feet and stated to them that they had been asking for this rectangular area in the act to be changed to a solid block which was not rectangular. I said, "It is my intention to suggest an amendment of that kind in the act this session." I of course got quite a hand for that. I said, "Probably I should have given you the bad news before I gave you the good, and got the clap last rather than the other." Then I indicated that it was the intention of the government to prevent lands which belonged to the government—whether federal, provincial or municipal—from benefiting under this act.

Mr. Quelch: I am glad you called it bad news.

Mr. Gardiner: I am quite candid to say that I did not get quite so much applause for that; but maybe they did not fully understand the situation.

Mr. Argue: That is probably why they applauded.

Mr. Gardiner: I went into it with them, and no objection was raised to the idea that that ought to be done. I am going to say this in addition. The one area in which it is probably most difficult to apply the amendment is the area that the hon. member for Acadia has been talking about. That area has been organized under a special organization, and I do not think there is any other part of western Canada to which you can apply the same arguments.

Mr. Quelch: The minister will agree that it is a good organization.

Mr. Gardiner: I agree that it has taken care of a difficult situation over a period of time. Probably some examination should be made into the circumstances that exist and of the extent to which this legislation would harm people who maybe should not be harmed. But that again is something which can be done if the bill goes to the committee; and if it does not go to the committee, it is something that I can look into a little bit further before I bring it back to the house. But I am quite satisfied that the principle involved in this resolution has got to be brought into being now. When I say what I have said to the hon. member, what I am thinking of is that maybe if we said, "Anything that has happened within the last twenty years should not be a consideration", it would cover the matter. Most of this set-up was put up years and years ago and has been an established thing there. I think the hon. member himself will agree that people have been coming in and starting to do this in the last five or ten years since this act became a statute, and that some care should be taken with regard to permitting that to go on in the future.

Mr. Quelch: I will agree with practically everything the minister has said this time; but I am more concerned for those farmers who went in there and homesteaded there in 1910 and 1911, and so on; who have tried to make a go of it, but who are now to be penalized under the act as a result of this amendment. With the assurance that the minister gave that this matter will be sent to a committee and discussed there, and that special consideration will be given to the peculiar situation that exists in that area, I will not object any further at this time.

Mr. Wright: There is just one other point to which I want to refer. The minister talked about the dominion government establishing community pastures. I believe in Saskatchewan the provincial government are establishing community pastures today. They have already established a branch to work in co-operation with the P.F.R.A. administration; and that is the one thing that I think is important. There should be co-operation between the dominion government and the provincial government in this whole matter of the re-establishment of settlers in western Canada under P.F.R.A. The provincial government have under their control land on which many of these settlers could be settled in Saskatchewan. I know the north-eastern part of the province fairly well, and I know the area to which the minister referred when he talked about some people saying that there were one million acres that could be put under cultivation. I know

the people who said that. One of the men who said it was Mr. L. B. Thomson, director of the P.F.R.A., who had a party out there in the northeastern part of Saskatchewan and the northwestern part of Manitoba making a survey in the area. He said that there was land available there that could be put under cultivation for a cost of, as he stated, a few cents an acre. I think it will cost more than that to put in the necessary dikes to prevent the flooding of some of this land. But if P.F.R.A. is to be a success in the western provinces, it can only be a success when there is complete co-operation between both the provincial government and the federal government.

As to this amendment, may I say that I will be greatly surprised if the Saskatchewan government has been consulted and understands the implications, as the minister has explained them here today. I would urge that the Saskatchewan government be consulted. After all, the dominion government cannot make a success of the P.F.R.A. without the co-operation of the provincial government; and the provincial governments certainly cannot make a success of it without the co-operation of the dominion government. I would certainly hope that that co-operation would be available from both parties.

Mr. Gardiner: Mr. Chairman, I want to say only one thing with regard to the matter, and I am glad to have an opportunity to say it. I find it a little bit difficult to understand that a government is trying to co-operate with you under these circumstances. We say we are prepared to spend all the money and do the job for you and leave the situation in the same position as the million and a quarter acres that are already fenced into pastures are in, namely that the federal government owns the land. We put up the fences and built them; we set up the organization round about it that has operated it now for ten years successfully, and we are quite prepared to go right on doing that. Then the provincial government comes in and says: "This has been a fine job; it has been well done; everything is fine. We would just like you to turn the job of doing that over to us now and let us own the land instead of you". I presume they say that because they like a government that calls itself socialist to be owning something rather than a government that does not call itself socialist to be owning something. They say: "We would like to do this now; we would like to do this, but we want you to pay for it." Probably if they said: "We want to do it and we are prepared to pay for it," it might be all right. We think co-operation goes along this line. Here is a thing that has been done well in Saskatchewan. It has been done well everywhere it has been tried, and nobody has complained about it. Everyone is satisfied. It has not cost the treasury anything outside of the original capital expense. It is paying its way every year right along, and we say, we are quite prepared to go along and operate it and take over the lands that you find you could not administer. I am not blaming the present government, because other governments found it the same. Prior to 1931 everyone in western Canada said—probably I should not say "everyone"; some of my hon. friends opposite perhaps do not agree—nearly everyone in western Canada said: "Turn the natural resources over to us. We are closer to them. We can administer them. We can pay for their operation better than anybody else." They were turned over to Liberal and Conservative governments, if you like, and they have been operated since by other kinds of governments. None of them has been able to find enough money to do the job at all.

Then the federal government comes along and says: "Well, we have got some responsibility in this, and we are prepared to go ahead and do the job. All you need to do is to turn back to us some of what was turned over to you, and we will go right ahead and do the job." When you get to that point they say, "Oh, well, yes, but we would like to do it now that you have shown us how, provided you will pay for it." I do not call that co-operation. If they will come right along and say: "Let us go right ahead with this thing as we have always been doing; let us make a go of it", they will get a hundred per cent co-operation from Ottawa. So long as they do not want to do that, we will not have any row with them at all, we will go right on administering what we have now, and go on looking after the people we have undertaken to take care of, and do everything we can to develop the other as time goes on—

Mr. Argue: Does that apply to irrigation, too?

Mr. Gardiner: Oh, well, we will discuss irrigation when we come to it.

Mr. Argue: Another principle then.

Mr. MacKenzie: There is a simple way to settle this problem. I have listened to the same discussion in the house I am sure for the last 15 years. It has not varied very much. I feel that there was some justification for establishing the Prairie Farm Assistance Act and the Prairie Farm Rehabilitation Act when they were enacted. They have done a pretty good job. I feel that the two

provinces have become very wealthy. They do tell us, when they are in different moods from what they are in now, that their farmers pay more income taxes than all the other farmers in Canada. That being true, I feel that this is not a federal field at all. It would be a good time to step out of the operations and let the provincial governments handle it. I think it actually is a provincial department.

Mr. Fair: Some years ago I told the hon. gentleman:

A little learning is a dangerous thing;
Drink deep, or taste not the Pierian spring.

I think that applies today as it did the first time I told it to him. If he got a little education on conditions in the other provinces and found out how very very efficiently the Income Tax Act has been operated in our provinces and that it is not operated in the same way in the other provinces he would have the answer to his comment.

Mr. Blackmore: I have listened with great interest to the discussion up to the present time. It would be well to lay this down for the sake of the people of Ontario and the east who are more or less at a loss to understand what this thing is:

The time has come to lay it down definitely that in the days when the country was first being explored it was fully known by men who knew conditions, like Captain Palliser, that wide areas of Saskatchewan and Alberta were not suitable for settlement. That has already been referred to.

Alberta and Saskatchewan had nothing to do with settlers coming in and settling on that land. Alberta and Saskatchewan were not even yet born as provinces. They were territories in those days. A great deal of the settlement which is causing us our trouble today took place before 1905 when these two provinces were born as provinces. Well, then, there was evidently a serious problem on the doorsteps of the new provinces as soon as they were organized; no one knows that better than the Minister of Agriculture himself.

What was to be done in order to assist these new provinces? What we are really debating today has a great deal to do with that very question. I do not think any hon. member, or anyone in the country, would say that because the dominion government had settled wide areas of that land with settlers, and put prospective provinces in the position in which they would have to pay crop failure relief, seed grain relief and a number of other things of that sort, and provide social services, schools and the like in areas that were not able to support such services by their own production—I do not think there is any member in this house or anyone out in the country who would argue that we could consistently ask Alberta and Saskatchewan to assume the financial responsibility for providing these services. The problem has just gone on and on from there.

We have now got to the point where what the minister seems to be arguing is this: If the dominion government is going to come into the province of Saskatchewan and take over this bad situation which has grown up during the years, then the dominion government requires that as a price of that assistance, that remedy, the province shall surrender to the dominion government the ownership of that land which properly belongs to Saskatchewan. I do not think there is an hon. member in the house who believes that that is exactly the thing to be desired. The dominion government has created a situation in the province of Saskatchewan which is beyond the capacity of any province like Saskatchewan unaided to take care of financially or any other way. When it is discovered that the situation is beyond control and the dominion government comes in to discharge a responsibility which certainly morally they assumed when they put the settlers in the area, when the dominion government comes in to deal with the problem and assumes the responsibility, it says: You will have to give back the country to us.

Mr. Gardiner: May I ask one question?

Mr. Blackmore: Yes.

Mr. Gardiner: The dominion government has spent about $30 million in round figures on the job up to now doing what my hon. friend is suggesting should be done. Does he not think that under these circumstances, whatever government happens to be in power at the time ought to be absolutely assured that at the end of the work the same evils are not going to be created again? If he thinks that, does he think there is any other way than the government of Canada having control not for twenty years, fifty or a hundred, but for all time?

Mr. Blackmore: The only answer to the question of the minister is this: It is a matter that has been before the house many times. Can we rely on the people who are elected by the people of Saskatchewan to form their government, can we rely on them to assume responsibility for the good government of Saskatchewan? In other words, are the people of Saskatchewan capable of electing as intelligent people, as honourable and as well-meaning people, to govern them in Regina as they are to govern them in Ottawa? There can be only one answer to that. Surely, they

are. Therefore I see no reason why the mere fact that the problem is taken over by the dominion government is a guarantee that the problem is going to be more successfully handled than it would be if it were in the hands of the provincial government granted financial assistance. As a matter of fact the splendid work which has already been done by Alberta—I am not so familiar with Saskatchewan but I presume it is just as good there—indicates that. The splendid work that has been done by Alberta in administering special areas is clear evidence that a province is quite capable of dealing with the situation. The only handicap a province has in confronting such a problem is that of financial commitments.

The minister may say, "Well, the federal government has to foot the bill; so, let the province manage the land!" There is no particular reason why that argument should be valid, because Saskatchewan is paying part of the money that goes to foot the bill, just as Nova Scotia or any other province. Saskatchewan pays abundantly in tariffs and by every other means of revenue to create funds at Ottawa from which costs are defrayed.

I fail to see why the mere fact that the dominion government provides the money should entitle it to take over the whole control and ownership of the land involved. I think that matter has to be understood. I would say that under the minister's control, while he has been in charge of the Department of Agriculture, it is only fair to say that he should have the credit that I am going to give him. I believe that he has handled this whole situation, including the irrigation question, with a vision which probably surpasses that which has been manifested by any of his predecessors in office. He is entitled to full credit, and entitled to that credit right here and now from a member who is not identical with him in political views or economic views, but who is anxious to see that a man gets credit for the things he does.

In my judgment, if the minister would just incorporate into his thinking the idea that I have intimated clearly in the few remarks I have made, he would have much more cause for satisfaction and happiness in the future, and so would the provinces of Canada, than would be the case if he does not accept that point of view.

Mr. Gardiner: We will apply it in a different bill from this one.

Mr. Blackmore: The reason I have risen lies in the fact that a question was raised by the hon. member from Ontario as to whether the other provinces should be called upon to pay money to help solve this special area problem.

[Mr. Blackmore.]

I rise partly to deal with that question, realizing that it is an honest question, honestly and understandably asked. The minister in his remarks dealt with the question as to whether the dominion government should contribute to the accomplishment of an objective which seems to be primarily of provincial concern and responsibility, without assuming some sort of ownership or control of the land involved.

I think the answer very definitely is that the federal government ought to be prepared to help any province solve any problem beyond the power of that province to solve, knowing fully that the stronger each and every province is, the stronger is the Dominion of Canada. It has not hurt us at all to provide assistance on a generous basis for the people who suffered from floods in the Fraser valley. It will not hurt us to help the people who are suffering as a result of the terrible floods in Winnipeg. It did not hurt us to help Ontario build great canals, to which reference was made by the hon. member for Queens, I believe it was, the other night. It will not hurt us to help any of the provinces with a great project which makes the economic life within that province better and, in fact, helps everybody.

For the benefit of the hon. member from Ontario, who raised the question, let me ask: What was the main reason for bringing population into those plains which constitute the Palliser triangle? Those who go back to read the words of men like Sifton and others, who were instrumental in causing the settlement policy to be adopted, will find that those men said something like this, "So long as those plains have no people in them, there is no market for our agricultural machinery, no market for our textiles, no market for eastern Canada. But if we can get people in there, we will have a market."

What was manifestly their primary object in settling people in those areas? It was to increase the economic stability of Canada as a whole through Ontario as a province. We have no objection to that; it was sound statesmanship. But part of the cost of providing those vast markets for Ontario and Quebec constitutes the very problem we are discussing today, the creation of a special area in which people were unable to support themselves because of drought.

Mr. White (Middlesex East): The question I was about to ask is somewhat aside from what has been under discussion. I was surprised to hear the statement that veterans would be established in those areas under the Veterans Land Act. How did that come about?—because this came into being in

1939 and conditions were pretty well known at that time. How many are there established in that area under the Veterans Land Act?

Mr. Gardiner: The only reason veterans are being brought in is that it is assumed that all the land they are on was properly inspected before they went on it, and it was determined before they went on that they could make a living on that land. That was all determined by the inspectors under the Veterans Land Act. That being so, we concluded we should not rule them out if, in some particular year, they have a crop failure.

Mr. White (Middlesex East): I just wished to be certain that a veteran would be protected in respect of his holdings.

Mr. Knight: I think perhaps the minister made some statements while I was out but to which I shall now refer. I understand the lands being thrown open in northeastern Saskatchewan are lands the title to which is in the name of the Saskatchewan government. These lands I understand are being leased to groups of young men, some of whom are veterans and some of whom are not.

My question is this: Do groups of young men, veterans or non-veterans, under those conditions of taking up land on a co-operative basis, become eligible for benefits under P.F.A.A.? Perhaps I might forestall what the minister might say by saying I know that that particular area is not likely to suffer from drought. However those of us who have lived so long in western Canada know that almost anything can happen there. If and when that does happen, what is the condition in regard to the class of men I have mentioned, namely young men who come together to lease land from the provincial government for the purpose of co-operative farming?

Mr. Gardiner: I believe I said earlier that the act as it is now drawn takes care of co-operative farms as such. But, on the other question, most of what I know concerning that northeastern area I have learned as a result of discussions with delegations who have come to see me for the purpose of persuading the federal government to spend money to open it up. I can assure the hon. member of this, that so long as I am here, at least, and have anything to do with it, there is not going to be federal money spent on it in order to open it up, until we are pretty sure that it will not come under prairie farm assistance. To begin with, that land is in a section of the province where there never has been prairie farm assistance, until now. When I was minister in Saskatchewan I had something to do with opening up that area. We put in the drainage which made possible the occupation of much of the land from the highway running north to Nipawin. None of those people have come in under prairie farm assistance and I am quite satisfied that the question does not apply to people up in that section.

We are referring to the people in probably a good half of the province of Saskatchewan in the southwestern section, to the people in about a third of Alberta and the people in about a sixth of Manitoba. The remainder of those provinces is not much concerned with this particular legislation except for the fact that they have to pay the one per cent.

Mr. Knight: Granting the correctness of what the minister has said, I still would like a more specific answer. Let us suppose that we have co-operative farms in northern Saskatchewan organized on the basis I have described. If drought should occur those people would not come under the P.F.A.A.

Mr. Gardiner: I have attempted to make it absolutely certain that these co-operative farms are not eliminated.

Mr. Knight: Will this amendment take them out of the act?

Mr. Gardiner: No.

Mr. Knight: Is there any distinction as to non-veterans and veterans in connection with those farms?

Mr. Gardiner: Not if the man owns his farm, and the veteran is presumed to own his. Many veterans who own their land outright originally bought it under the Veterans Land Act. Others bought government land—this number is quite limited—but the land was properly inspected. Therefore we are prepared to say that such land would be classified as land in connection with which payments could be made.

Mr. Knight: The minister has emphasized the purchase of the land. He first referred to those who owned their land and then he referred to those who had bought their land from the provincial government. If he will remember, my question related to those who were leasing land from the provincial government.

Mr. Gardiner: The hon. member is confining his question to an area that will never come under prairie farm assistance and he wants to be able to go up into that corner of the province and tell the people that the Minister of Agriculture said that they will never get anything, no matter what happens. I am not going to answer the hon. member's

question to permit him to do that. I am telling the hon. member that this is intended to keep people from going on submarginal land for the purpose of drawing prairie farm assistance.

Mr. Knight: I do not think the minister is fair in imputing motives. I can ask any question I like in this House of Commons.

Mr. Gardiner: Certainly, but I do not have to answer it the way you want me to.

Mr. Knight: The minister has indicated on many occasions that he does not have to answer, but my conception of the responsibility of a cabinet minister is that he is supposed to answer questions. Could we not discuss this thing without political tinge? The minister has not yet answered my question and I assure him that I do not want the answer for any political purposes or to be able to go up to talk to these people in that district.

Mr. Gardiner: I have listened to you before.

Mr. Knight: Perhaps that is what the minister would do if he had information which was against the party to which I belong. One of my greatest difficulties in dealing with the Minister of Agriculture is that I always feel that he never forgets politics. I am not interested in politics in that way. I have asked a proper question and I should have an answer. If a drought were to occur in that particular area would those people be permitted to draw P.F.A.A. benefits when they are on land that has been leased from the provincial government for the purpose of setting up co-operative farms? I have not yet got an answer and the minister says he will not give it so there is nothing I can do about it.

Mr. Sinnott: There is nothing wrong with this legislation the minister is bringing in.

Mr. Smith (Calgary West): That settles everything.

Mr. Sinnott: I know of many young fellows who have wanted to buy a quarter section alongside a farm which they own already but because it happens to be part of a school section the provincial government would not sell although they are ready to lease over a period of years. When you lease land you generally do not make any attempt to improve its productivity. A man generally tries to get as much as possible year after year out of such land, with the result that it deteriorates. If the Saskatchewan government does not want to sell this land, that is their business, but I think the minister is following a sound policy with this legislation.

[Mr. Gardiner.]

Resolution reported, read the second time and concurred in.

Mr. Gardiner thereupon moved for leave to introduce Bill No. 209, to amend the Prairie Farm Assistance Act, 1939.

Motion agreed to and bill read the first time.

CUSTOMS TARIFF

The house having reverted to the order for introduction of bills:

Hon. Robert H. Winters (for the Minister of Finance) moved for leave to introduce Bill No. 210, to amend the Customs Tariff.

Motion agreed to and bill read the first time.

SUPPLY

The house in committee of supply, Mr. Beaudoin in the chair.

DEPARTMENT OF AGRICULTURE

1. Departmental administration, $293,670.

Mr. Charlton: There are a few questions I should like to ask on this item as it might be easier to ask them now rather than to wait until the various items they concern are before the committee. One matter has to do with the expenditures for miscellaneous, sundries, n.o.p.—not otherwise provided for—and contingent. Dealing with the Department of Agriculture alone they amount to a total of $198,159. Although it does not have to do with this department, I may say in passing that I have gone through all the estimates and I find the grand total for all departments is $17,382,354 for sundries, miscellaneous, not otherwise provided for, and in some cases contingent expenses. I believe that should be explained by the Minister of Finance if not by the Minister of Agriculture. If such expenses amount to so much then it would seem to me that they should be set out in greater detail or the departments should get together and agree on a common plan to deal with them.

The total for travelling expenses, for instance, in the Department of Agriculture for 1950-51 is $2,148,000, an increase of $171,500 over last year. I think the minister should answer these questions. I realize a great deal of travelling must be done by officials of the department but certainly not that much. In the case of sundries there is something else I should like to point out. It happens that thirteen out of the forty-five votes for sundry items are exactly the same as they were last year. They include such figures as $617, $513, $1,147, and they are identical with last year's items. I think that arouses a little suspicion and calls for an answer. Is the minister not going to answer?

Mr. Gardiner: I will wait until I hear more, if there is any more criticism. I want to look up these sundries.

Mr. Jones: I am not going to follow the criticism of the hon. member for Brant-Wentworth. Under this item I want to deal in a general way with an industry with which I am fairly familiar, fruit growing in the Okanagan valley. I should like to express my appreciation and that of the industry as a whole for the co-operation and assistance given to the industry by the Minister of Agriculture. I should like to point out, however, that if it were not for the disasters at Winnipeg and Rimouski you would probably be hearing a good deal more about the plight of the fruit growers of the Okanagan valley. While their disaster is not as great as those featured in the papers at the present time, they have received a terrible set-back through loss of markets and particularly because of the severe winter. I have heard from several of my friends in the industry saying that they have lost some of their orchards, peaches and apricots particularly. The value of their loss has not been completely assessed so I am not going to deal with that now. I should like to point out to the minister that I hope he has provision in his estimates to take care of the farmers who have suffered heavy losses.

I am also satisfied that the total amount of money received from all sales of apples up to date plus the $2 million generously given by the government will fall far short of returning to the farmers the cost of production. I hope if they come to the minister he will treat them in his usual co-operative way as he has in the past. I should like to review briefly the prospects for the coming year as it has a bearing on the situation of the fruit growers. I want to refer to the Penticton *Herald* of May 4. Mr. Embrey, an official of the British Columbia Tree Fruits Limited, is reported as saying that the estimate for the present year for apples is five and a half to six million boxes, which is roughly 70 per cent of last year's crop. He goes on to say that apricots and peaches will be practically nil. I do not think it is quite that bad but I am using his own words. He says that the cherry crop is expected to be about 30 per cent in comparison with last year's crop.

I merely point out that the fruit growers have suffered from loss of markets and conditions following a severe winter. They are battling natural obstacles plus artificial trade barriers. Mr. Embrey goes on to point out that the apple growers of Washington and other states, whose apples are in competition with our own over the border, are fighting hard to get Mr. Truman to place an import quota on Canadian apples. Nevertheless Mr. Embrey has hopes that will not be the case, and I think Mr. Truman has sympathetic feelings toward the Canadian growers. Our people are constantly in search of world markets, and I want to suggest some places where the government can help. One of them is by entering wholeheartedly into the principle of a world food pool. We feel that apples—and doctors have said so on many occasions—are needed as a part of any balanced diet. They are a necessity and should be used to balance the diet of every household the whole year round.

In the world as a whole there is a vast shortage of apples but in Canada, as is well known, we have a large surplus. I want to read a resolution passed by the growers at their convention last November concerning the suggestion I am endeavouring to pass on to the government. The resolution reads:

> Whereas the food and agriculture organization has adopted in principle the world food pool resolution submitted by the Canadian Federation of Agriculture to and adopted by the international federation of agricultural producers at Guelph, Ontario, last June, which resolution conforms with submissions made by the British Columbia Federation of Agriculture during the last ten years, and
>
> Whereas the FAO international commodity clearing house seeks to establish—
>
> 1. "The maintenance of a high level of production and employment."
>
> 2. "The reduction of trade restrictions, including tariffs and quantitative and monetary restrictions."
>
> 3. "An increase in the standards of productive efficiency particularly in western Europe."
>
> 4. "International investment to finance export and import surpluses" and
>
> 5. "The restoration of convertible currencies and multi-lateral transactions as a basis of world trade"
>
> —all of which is designed to feed properly an undernourished world and thus utilize all presently available potential food and fibre production.
>
> Therefore, the British Columbia Fruit Growers Association in its 1950 annual convention commends the Canadian Federation of Agriculture for promoting so effectively the world food pool principle and the sixty-one countries which make up FAO for planning to put this world-essential principle into active operation, and urges the Canadian government to give this project its complete support.

On their behalf, Mr. Chairman, I am passing on the desire and hope that the minister's support will be given to this resolution. Under those conditions we would have no surpluses. Instead of embarrassing us, they would be converted into tangible wealth. It would help build up good will throughout the world, and would put the industry on its feet. I believe our ability to produce is a sacred trust, and if we violate it or destroy our production by waste or dumping, some day we shall have to pay the price and answer for our actions.

Since Canada is one of the world's leading agricultural producers, Canadians should give leadership, and by that I mean we should

break all the economic red tape that is now tying us down to orthodox methods of trading with other countries. We shall be sorry indeed if the day ever comes when Canadian farmers, whether wheat growers or fruit producers, are asked to restrict their production. To me that is contrary to the laws of nature, and should not be done. In the light of that I ask the government to study the implications of this resolution, a copy of which was sent to the minister. My appeal is ably backed by Mr. Hannam, president of the Canadian Federation of Agriculture. He has summarized the matter in these words, and I quote from his statement in the Ottawa *Journal* of April 20:

"The problem, then, is largely a matter of distribution of food within each country and throughout the world. To have embarrassing surpluses of food piling up in one part of the country, undermining both producers' security and their domestic economies, while in some other parts of the world millions are hungry and undernourished, is a denial of everything that leads to human progress.

"Our farmers and farmers in other exporting countries will be compelled to restrict production against their better judgment if a world food plan is not undertaken to distribute abundance to people in great need. A continuation of this situation is a threat to the peace of the world, because you can't talk peace to hungry people nor can you argue successfully against communism, whose leaders take full advantage of that kind of situation," concluded Mr. Hannam.

As I have stated already, I bring up this matter in the hope that the Minister of Agriculture, who is capable of taking the lead and who is in the happy position of having these surpluses more or less under control, can step into the picture and present the case to the rest of the world. I should like to compliment the minister and his department on what they have done, but I understand the difficulties they are up against, particularly with respect to foreign markets. When I came to investigate what were the actual handicaps I understood those difficulties better than ever. I find that one difficulty is the lack of peace treaties, with which I shall deal later on. Recognition of countries which were formerly enemies, who are now in a position to deal with us, has not taken place owning to the absence of a peace treaty. Presumably that is a matter that will have to be dealt with by the Department of External Affairs. Then the Department of Finance comes into the picture of world trade, with our austerity program and the conservation of dollars. Into the same picture comes the Department of National Revenue, with its tariffs, quotas, duties and so on. So the Department of Agriculture has to make the best of a huge production and huge surplus, and battle against the interests of the other departments.

[Mr. Jones.]

I suggest that the department exercise the powers granted in 1946, which to me appear very wide, in order to overcome some of the obstacles to which I have referred. The Canadian Commercial Corporation Act gives that corporation power to assist in the development of trade between Canada and other nations, and to assist persons in Canada to obtain goods and commodities from outside Canada or to dispose of goods and commodities that are available for export from Canada. Then in section 5 it provides:

. . . the corporation may carry on the business of:

(a) importing goods or commodities into Canada, and

(b) exporting goods or commodities from Canada, either as principal or as agent, in such manner and to such extent as it deems advisable to achieve the said purposes.

To my mind that gives the department power to work in conjunction with the corporation to set up an import-export board or its equivalent to take care of the marketing of our fruit products overseas. I realize it has been suggested that we have trade envoys to do these things; or, as one minister suggested, the industry itself should have representatives seeking these markets. The trouble is that a small firm, or any firm as far as that goes, finds it difficult to obtain properly qualified people to send abroad, mainly because of the cost involved. You need men able to speak the languages of the countries in which you are seeking to do business. They must be trained to ascertain the trade requirements of various countries, and so on. For many years we in Canada were indifferent to the trade needs of countries such as Britain, for instance. Their timber dimensions vary widely from ours, yet we stubbornly kept on sending our own dimensions. As a result it was many years before we realized why we were not making headway in that market. We also need a body that will have power to advise Canadian manufacturers and producers as to the requirements of these markets. These would include such things as timber dimensions, which I just mentioned, and the type, quality and size of pack with respect to fruit. We have probably drifted into world trade; we have gradually caught up with the trend, but we are still in the drift.

In the absence of any such policy, such bodies as the Canadian chamber of commerce are doing their best to overcome the difficulties. I should like to quote from a letter recently received from this organization to show what they are doing to fill the gap in the absence of a department organized to look after our import and export needs:

. . . anything which diminishes the output of our primary industries is bound to affect all business.

Primary industries, as you know, are dependent to a large extent upon foreign markets. Fluctuations in foreign trade can be related directly to your business. A continued deterioration of foreign trade could have the same damaging effect on primary industries in this province as weather adversity.

Regardless of whether we sell to the foreign market or not, we should be concerned about it. It seems obvious that we as individuals can do little. We can, however, support an organization which has as its objective the study and development of improved foreign trade.

You may have read in recent press dispatches of the return of Mr. Howard T. Mitchell of Vancouver from Anglo-Canadian trade talks in London, England. This is only one of the efforts of the Canadian chamber of commerce in this field. Undoubtedly such continued efforts will benefit British Columbia greatly.

Item stands.

At six o'clock the Speaker resumed the chair and the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

PRIVATE BILLS

PRAIRIE TRANSMISSION LINES LIMITED

The house resumed, from Friday, May 5, consideration in committee of Bill No. 9, to incorporate Prairie Transmission Lines Limited—Mr. Benidickson—Mr. Beaudoin in the chair.

On section 1—*Incorporation.*

Mr. MacInnis: I should like to say another word, Mr. Chairman, on this bill before it gets out of committee. When I last spoke in the debate on the second reading of one of these bills—I think it was before the Easter recess—I said that I did not intend to take up any further time of the house in debating these measures. I spoke only briefly at that time.

When we were debating the bills on second reading, the chorus from the supporters of the bills was, "Let us get the bills through the house and to the appropriate standing committee where we can get all the information that our hearts can desire". Eventually the bills reached the committee, but once they got there the situation changed. Instead of making an attempt to get all the information required, the chorus began to get the bills back into the house. As I may mention later, that strategy had results which the strategists did not expect. Some members of the committee, and some who were not on the committee, but who were interested in the bills, were disgusted with what they saw and heard. The result was that they changed their minds, and their support for the bills is not nearly so strong now—at least not among the members from my province—as it was before the bills went to the committee.

On the order paper each Tuesday and Friday, and on private members days' on Mondays—I was going to say the perpetual private members' Mondays—these bills appear under the heading "private bills". In order to bring the heading of the bills in proper relation to reality, I think we should have a new page on the order paper, and put these bills under the title "privileged bills"; because I have never heard of a situation such as this one, where outside promoters can get greater preference in the House of Commons than can the members who were sent here by the electors of this country.

I think, however, that the long debate has had some good results. I notice that the hon. member for Vancouver South who, I am sorry to say, is not in his seat tonight, in an article written for a neighbourhood paper in his constituency said this:

> The tragedy of the filibuster has been that it held parliament in contempt to the extent that it prevented members from exercising their responsibilities.

Then he went on to say something that we have heard time and time again during the debate on these bills and to which I shall refer later:

> Parliament has no power to determine route of any pipe line but this authority is vested with the board of transport commissioners. Parliament has no authority to sanction either gas or oil for these pipe lines—this is the responsibility of the Alberta gas and oil conservation board. Export of these and like commodities is subject to statute of the Department of Trade and Commerce.

The filibuster, if the hon. member for Vancouver South wishes to call it that, has surely had at least one favourable result. It has held up discussion on these bills long enough for some of the British Columbia members, who were definitely in favour of the bills before they went to committee, to oppose them now in their present form at least while the others, with the possible exception of the one who is supporting the bills, do not know just where they stand.

To refer again to the hon. member for Vancouver South, in some remarks he made in the house in connection with the bills he said that he would vote for them and would go back to British Columbia and educate the people of that province into demanding an all-Canadian route. If there is need for education, it is the hon. member for Vancouver South that needs it. It is the people of British Columbia who are educating the hon. member for Vancouver South as they have educated the hon. member for Coast-Capilano, the hon. member for Comox-Alberni and quite

a number of other members who are at the moment sitting on the fence, not knowing which way they are going to fall.

The argument has been made and reiterated, that this parliament has no authority or power to designate a route. For my part, I would hate to believe that of this parliament. But whether or not parliament has the right to designate a definite route, surely parliament has a right to indicate what general route this House of Commons believes the pipe lines should follow in taking a Canadian natural resource from one point in Canada to another. Surely parliament has the right to say that. If not, we had better leave at once for our homes. The argument made by my hon. friends who are supporting these bills is that parliament need not do that. The board of transport commissioners will protect the interests of the people of Canada. Well, the board of transport commissioners have authority over our freight rates.

An hon. Member: They have made mistakes before.

Mr. MacInnis: My hon. friend says that they have made mistakes. A great many people in this parliament are not satisfied with the board of transport commissioners as they have dealt so far with freight rates. We have appointed a royal commission to look into freight rates because we are dissatisfied with the way the board of transport commissioners has been handling the job.

The board of transport commissioners was not sent to this house by the people of British Columbia to protect their interests. The people who were sent here to do that are the members from the constituencies in that province; and either we protect the interests of the people of British Columbia or we should stop making the alibi that that is the duty of the board of transport commissioners.

It is unnecessary to say a great deal on that point. When he spoke on this question a few evenings ago, the leader of the opposition made the point very clear, so clear, really, that there is no possibility of misunderstanding it. That is, that the first authority which must deal with the route the pipe line is to take is the government of Canada, and that the board of transport commissioners cannot and will not deal with the route until the government of Canada has made its decision in regard to it.

I read in a book once a saying that was attributed to the late Lord Randolph Churchill, father of Winston Churchill, to the effect that whenever you were in the position where you had to say a kind word about a political opponent in the House of Commons you should always be careful to do it with a kick instead of a pat. I have never accepted that philosophy, and tonight I want to say a good word for the leader of the opposition. I believe hon. members and the people of Canada should be grateful to the leader of the opposition for the clear statement he made on this matter when he spoke in this debate on Tuesday evening last. Let me draw the committee's attention briefly to what he said. I shall not quote from his speech extensively, but only a small part of it. He read from a minute of council, and this is the last paragraph of it:

> That, in the opinion of the minister, the construction of the pipe line by Interprovincial Pipe Line Company is in the national interests of Canada.
>
> The committee, therefore, on the recommendation of the Minister of Trade and Commerce, advise that under the provisions of the Electricity and Fluid Exportation Act, a licence, in accordance with the form attached hereto, to construct a pipe line to connect at the border of Canada and the United States of America at or near Gretna, Manitoba, with a pipe line to be constructed in the United States, be granted to Interprovincial Pipe Line Company of Edmonton, Alberta, accordingly.

That was on the 13th day of September, 1949. Until that order in council passed, the board of transport commissioners would not make an order in the case at all. On the 15th day of September the board of transport commissioners made this order as reported in the speech made by the leader of the opposition at page 2325 of *Hansard:*

> Upon hearing the application at the sittings of the board held in Ottawa, September 8 and 12, 1949, in the presence of counsel and representatives for the applicant, the province of Alberta, the Department of Trade and Commerce, the Canadian Pacific Railway Company, the city of Port Arthur and the board of trade of Fort William . . .
>
> It is ordered that leave be, and it is hereby granted to the Interprovincial Pipe Line Company to construct a pipe line for the transportation of oil from a point in the vicinity of the city of Regina, in the province of Saskatchewan, to a point in the vicinity of the village of Gretna, in the province of Manitoba; the said pipe line to be constructed and completed on or before October 31, 1951.

Be it noted by those who believe that parliament and the government have no authority in this matter that that order was made two days after the order in council which I read just a moment ago was passed. In the face of those facts, in a similar circumstance, let us no longer quibble as to where the authority in this matter lies.

Another argument made by the supporters of the bill—and I think it was made by the Prime Minister when he spoke, but when the hon. member for Vancouver-Quadra questioned him later he agreed that the point was not just exactly as he made it—is that the board of transport commissioners can decide in all circumstances the route the pipe line should follow. But leaving aside the point that I have already made, namely, that

the board of transport commissioners can move only after the governor in council has moved first, may I say that the board of transport commissioners is limited in its decision to the route in the application made to it and in the plans which accompany such application. I suppose it could, in its wisdom, decline to grant an order for the construction of a pipe line over any route whatsoever. I do not know; but I would be of the opinion that if this parliament passes a bill that gives authority to this company to build a pipe line either through Canada or through the United States, the board of transport commissioners will consider that, parliament being indifferent as to the route the pipe line should follow, it could authorize the laying of the pipe line on the route, whatever it may be, that the company making the application lays before it. In my opinion that is a logical conclusion. Let me repeat it. If we members of parliament are unconcerned as to which route the pipe line should follow, if we do not care whether Canada should be served after the United States cities are served, or that Canada should be served before United States cities are served; if we are unconcerned in the matter and refuse to make a decision one way or another, the board of transport commissioners is justified in giving an order endorsing the particular route that is laid before it by the company making the application.

Anyone who has read the report of the proceedings of the committee on railways, canals and telegraph lines must be struck by the fact that, in so far as the companies making application having information in regard to the different routes are concerned, the great bulk of their information is concerning routes through United States territory. There is hardly any information at all in regard to routes through Canadian territory.

Let me quote briefly from the proceedings for Friday, April 28, where the hon. member for Calgary West (Mr. Smith) was questioning Mr. William C. Gilman:

Q. You have made no examination of the all-Canadian route. You do not know whether a line can be built between Hope and Princeton or not, do you?

A. No.

Q. Why are you giving us figures in millions per year to the lower mainland in British Columbia when you have nothing to base it on at all?

A. It is just an engineering guess of the cost of construction.

But, remember, the application is placed before the board of transport commissioners, and the costs of the various routes are placed before the board. These costs will also be an "engineering guess." And the $17 million difference in cost between building a pipe line through Canadian territory and through American territory is also a guess. As the hon. member for Coast-Capilano said when speaking in this debate, they just took that amount out of the air. But let us remember that when they get a charter for a pipe line they have something far more important than anything that can be pulled out of the air. The questioning continued:

Q. What do you mean by an engineering guess?

A. Well, all estimates are guesses.

What do you think of an answer like that? —"all estimates are guesses." I do not care how wise and fine a citizen that man may be, my conclusion is that he took the committee for a pack of fools. I presume he thought the members of parliament on the committee, sent here by the electors of Canada to represent them in parliament and to make their laws for them, were intelligent men. Yet he tells them that all estimates are guesses. A guess is something one says in this fashion: "I guess it is going to rain tomorrow" or "I guess it will not rain tomorrow." What do hon. members think of that sort of evidence as something to make a decision on?

Then the questioning continued:

Q. It is a pious hope because you like the southern route? A. No, we have no preference at all.

And then later on:

Q. I do not know how I missed you, a distinguished looking gentleman like you.

A. I did not see you there either.

Q. The answer to that is I do not know why you should have. We will go on further: you have made no surveys whatever in the Yellowhead pass route?

A. No.

Q. So you do not know what the cost will be to take gas via that route, do you?

A. No.

Q. So you are talking about saving these hundreds of millions over a twenty-year period and you have no basis for comparison at all, have you, with the Yellowhead route?

A. I was not making a comparison with the Yellowhead route.

Then on the next page of evidence he was questioned by the hon. member for Vegreville (Mr. Decore):

Q. In connection with the Yellowhead route the only observation you made was when you went through by train?

A. That is right.

Q. Now, I just want you to answer this question. How fast was the train going when you were making those observations?

A. Oh, about twenty to twenty-five miles an hour.

There should have been one or two further questions, such as, "Was it during the day or during the night?" and "Were you awake, or were you asleep?" All these questions would be equally relevant, because

the answers they received were just the answers that had to be given in a situation where those replying had no answers to give. I could continue quoting questions and answers from these amazing proceedings, but it is not necessary. I have already quoted sufficient to show that the committee was nothing but a farce.

Another argument offered by supporters of these bills is that if we grant a charter to one company, and to one company only, we are creating a monopoly. The hon. member for Edmonton West was surprised that the Progressive Conservatives, who are in favour of free enterprise, should support a policy of monopoly, and that members of the C.C.F. who favour public ownership should also favour monopoly, or a course of action which would lead to monopoly.

Has anyone suggested that if we grant three charters three pipe lines will be built to the Pacific coast? Certainly no one has made that suggestion within my hearing. We know that of course no one has said any such thing, because there will be no business for three pipe lines to the Pacific coast. Consequently, no matter which company gets a charter to build a pipe line, it will have a monopoly. After all, a monopoly is not always necessarily a bad thing, and I think the hon. member for Edmonton West should know that. When the pipe line reaches Vancouver —should it reach there—I understand the distribution of gas will be carried out by the British Columbia Gas Company. A monopoly, if you like; but surely no one in this parliament is foolish enough to say that you could grant two charters for supplying Vancouver with gas. A monopoly is a bad thing when it is used to raise prices to the consumer through the elimination of competition. When you give one company a charter or a franchise to do a certain thing and keep control over what that company can charge, when you provide that they receive only an amount that is considered fair, reasonable for the service they give, that sort of monopoly is a good thing.

It is time we stopped talking nonsense. It is time we stopped trying to find alibis for following a course which reason indicates does not meet the requirements of the situation. I have heard it said on many occasions that Canada's resources are unlimited. They used to say years ago that the resources of the United States were unlimited. But the United States has consumed its resources to such an extent that it is looking more and more to Canada for raw materials such as ores and other raw materials to keep its industries going. So far it has been the policy of this country to be content to sell our raw materials.

This committee should not be panicked by the specious argument that unless we grab this opportunity to sell our natural gas at once the United States will get its gas from some other source. They used to put up the same argument in 1910 when they were selling lots in Vancouver. When a real estate agent was trying to sell you a lot he would tell you he had a dozen buyers for it when he didn't have one. We are being told the same thing here. That is another alibi we should stop using. We have not unlimited resources.

The people of British Columbia are anxious that they should be given the first opportunity to use this resource. If there is more than we need there is no reason in the world why our American cousins cannot have it. These gas resources are ours and we should have the first opportunity to use them.

I had no idea when I rose to speak that I would speak at such length because I do not believe it is necessary to labour this question. I have said already that this parliament has an obligation to at least give an expression of opinion. If it cannot give a directive, it can give an expression of opinion that it wants this pipe line to serve Canadian needs first. Because this parliament has an opportunity to give an expression of opinion, because the first order must be passed by the executive of this parliament, that will be a directive as to what kind of order in council should be passed. Then the board of transport commissioners will have its cue. Hon. members from other parts of Canada have an obligation as members of this parliament to protect the interests of British Columbia.

When we have done that I am sure that the pipe line will be built through British Columbia, but if we let this bill through in its present form there is no assurance that the pipe line will be built through British Columbia.

Mr. Goode: Mr. Chairman, I do not intend for one moment to get into what I consider is a stew, such as the hon. member for Vancouver East has got into, by appealing to the sentimentality of the problem.

Mr. MacInnis: I object to the hon. member saying that I have got into a stew. I have not got into a stew—whatever a stew is I do not particularly know. I could not accept the situation as it existed at the moment and I simply decided that the time had arrived to make a forceful demonstration of the issues in this case.

Mr. Goode: I fail to see how the hon. member for Vancouver East can take exception to my remark when he admits that he does not know what he is talking about. This is a business proposition which has two angles. One is the companies who are interested to the extent of $150 million. The second angle is the fact that British Columbia, as the hon. member for Vancouver East very ably said, must be protected.

How are you going to protect the people of that province? Are you going to let the Westcoast Transmission Company have the only charter with which to go before the board of transport commissioners, or are you going to let in perhaps three or four other companies to practically tender on this business? Quite apart from the interests of British Columbia, if one company goes before the Alberta conservation board it puts that board in a rather awkward position. If these bills are permitted to pass it will mean that there are three companies before them. Disregarding entirely the remarks of the hon. member for Vancouver East, I think it would be far more valuable to have three companies rather than one tendering on this matter.

I had not intended to start out in that way and I shall come back now to the point from which I intended to start. I think every hon. member from British Columbia no matter on which side of the house he sits should place on record his feelings in regard to this matter. That should be done in order to be fair not only to this committee, but to the people back home. I am going to vote in support of these two charters because I believe it is the only possible thing a member from British Columbia can do.

I am not going to refer in detail to the proceedings of the committee because I was not satisfied either in regard to what went on. In reply to repeated questions from me Mr. Dixon told the committee that the cost to the people of British Columbia would be between $750,000 and $1,250,000 a year.

An hon. Member: Rubbish.

Mr. Goode: The hon. member may say that, but he did not say anything in committee regarding it and the statement has not been denied. I realize that Mr. Dixon represents $150 million and perhaps his statement may be a little biased, but I must go along with it unless it is disproved. The only place to disprove it is before the board of transport commissioners.

Most of us have been in business at one time or another, although sometimes I wonder from the statements that emanate from the gentlemen on the other side whether they know what business is. As I say, this represents $150 million and I think this house should let this matter go before a board which has the responsibility of seeing that all the details are brought out, not only from the standpoint of the Alberta government, not only from the standpoint of the Westcoast Transmission Company, but from the standpoint of the Alberta Natural Gas Company and the Prairie Transmission Lines Limited.

I am of opinion that the Westcoast Transmission Company have never intended to build a pipe line.

Mr. Smith (Calgary West): Nonsense.

Mr. Gibson: That is not fair.

Mr. Smith (Calgary West): Why? Give one reason.

Mr. Goode: I respect greatly the sentiments of the hon. member for Comox-Alberni. He happens to be a good personal friend of mine. The hon. member for Comox-Alberni has listened to representatives of the Westcoast Transmission Company in his office just as I have done in mine. Their opinions did not interest me. Evidently they interested the hon. member for Comox-Alberni. In the interests of British Columbia I believe that every hon. member should allow these charters to be granted. I think if three companies appear before the board of transport commissioners to present their cases, in the same way that Mr. Dixon presented his case, it will be more satisfactory. I know that Mr. Dixon represents interests involving $150 million, but as a result of such deliberations before the board I am sure that its members can come to a more intelligent conclusion and I think British Columbia will benefit thereby. I intend to vote in support of the incorporation of these companies for the one reason that I believe three companies appearing before the board of transport commissioners will be more effective in the interests of British Columbia than one company.

Mr. Harris (Danforth): The hon. member who has just taken his seat has observed that we should approach the problem confronting us from a business point of view. With that I am entirely in accord, and I ask him to do a little research in a big broad way as to the business end of the problem which faces us not only for this year but for two or three decades to come. I ask him to try to think the matter through in the light of the next generations, those who will follow after us. I have tried to do that. I have no particular personal interest except that it has been my high privilege to preside over a board which has seen to it that during the last year we have spent $100,000 in Calgary in the promotion of a little industry

which I hope will require close to $1 million in the next ten years and will consume many hundreds of thousands of cubic feet of gas from that great potential supply which Providence has placed in our lap for us to use.

It is my pleasure to be interested not from the point of view of monetary return particularly but from the point of view that there is one feature of our Canadian citizenship which makes our breasts swell with pride, namely, that from the business point of view we are making vocations and providing livelihoods not only for our own people but also for others. I have already transplanted a nephew of mine to Calgary in the last eight or nine months. On June 3 of this year three most prominent executives from London, England, are coming to Canada. One of them is Mr. I. H. Chayen, one of the most eminent engineers in the British isles, who is now operating some sixteen factories in different parts of the United Kingdom. He will be accompanied by an engineer, Mr. Page, and his general manager, Mr. H. W. Orwell. They are flying to Canada and will be my guests in Toronto. From there they will go to Calgary, Alberta, for the reason that they want to expand a little industry presently established there on seven and a half acres of land with half a mile of trackage and other railway facilities. This industry was inveigled to go there, and in fact was anxious to go there because of raw materials which they desire and because of power, in this case gas. There is an ample supply of gas so that they can in turn expand the industry by the use of steam units operated by gas available for that industry.

They are not promoters; they are not men who sit behind mahogany desks on mahogany chairs and make money out of our natural resources. They are men who want to establish an industry. Of course it is a private enterprise for their own benefit. They want to expand an industry which is world-wide. They will be here within a month, and I am encouraging them to come. While I am on my feet and thinking about this problem, there are hon. members in the house who say that we have no right to delay the passage of these measures, that we should turn them over to the board of transport commissioners. We have not only a right but also a duty to put on the record of the house anything we know which may be of some value to the economy of Canada. Some may say that the board of transport commissioners may not be influenced by what is said in this house, but I am of the opinion that they pay attention. I am of the opinion that hon. members of the house, anxious as they are to discharge their responsibility, pay attention to what their colleagues say. I do not see the sponsor of the bill in the house.

Mr. Green: He is not here.

Mr. Harris (Danforth): Is the hon. member for Kenora-Rainy River here or the hon. member for Simcoe East? As neither of them is here perhaps I may address myself to the Minister of Public Works. I see that the hon. member for Simcoe East is now in the house. I am anxious that he, as the co-pilot of this bill, should try to get the sense of what I am trying to say.

Mr. Robinson: That would be very difficult.

Mr. Harris (Danforth): Well, I have got a measure of his intelligence. I think if I labour it long enough it will not be quite so difficult, and that on contemplation and reflection he will say that perhaps he made a mistake.

Mr. Robinson: I expect you will labour it at least until nine o'clock.

Mr. Harris (Danforth): I am not so much interested in nine o'clock as I am in the people of Canada.

Mr. Robinson: And British Columbia.

Mr. Harris (Danforth): I am coming to that. It is a long way around. The people should have some sort of idea of what is going on. I will switch to British Columbia right now. I do not care whether hon. members are from British Columbia or any other part of Canada. As the hon. member from one of the Winnipeg constituencies said a moment or two ago, this matter is the responsibility of all members of Canada's House of Commons.

Mr. Sinclair: Hear, hear.

Mr. Harris (Danforth): And particularly is it the responsibility of hon. members from British Columbia.

Mr. Sinclair: Hear, hear.

Mr. Harris (Danforth): I should like to refer British Columbia members to a speech made by their premier on March 26 in London, England. He travelled 6,000 miles from Victoria to London to point out to the federation of the British timber interests that British Columbia is anxious about the development of its industry. He pointed out to the people of the British isles that in 1939 timber of one kind and another constituted only 5 per cent of their exports to the United Kingdom. It rose to 38 per cent and then it went up to 74 per cent. Since 1947-48, however, it has gone down again. Hon. Mr. Johnson was over there on a trade mission. He did a good job, and made a great

speech on behalf of British Columbia. As I read that speech I could visualize the gas from Alberta coming down through British Columbia to be used in the plants making sash, doors, veneers and what not for the construction industry of the United Kingdom.

An hon. Member: What is a what not?

Mr. Harris (Danforth): Well, they used to have whatnots before you were born, when I was a boy. They were pretty nice pieces of furniture, too. I would not mind having one of them in my home now; they are handy places to put trinkets. In British Columbia they have wonderful lumber and wonderful veneers. They have perhaps the largest stand of timber of any country in the world. They make the finest doors and sash available in Canada, and those products should be going over to the United Kingdom by the boatload. Instead of that we have the United Kingdom government advising their people to use metal sash and doors and metal trim for their houses, though it costs anywhere from ten to twenty per cent more than the wooden products, which could be manufactured in the mills of British Columbia with the use of Alberta gas for power. That ought to be done, and promptly.

Not only do these steel doors and sash cost more; there is another feature about it. British Columbia, together with the rest of Canada, is anxious to use the metal products coming from that great workshop of the world, the United Kingdom. I am not like the absentee minister of barter, who is at present in Australia, but I would not object to any barter scheme that would bring us the metal products of the United Kingdom in exchange for the wood products of British Columbia. I believe this bill should be laid aside until such time as the minister, who knows more about the lumber business and about British Columbia than I do, returns to this house to tell us what we ought to do about these things. He is down in the land of the mugho pine, the land where the specific gravity of the wood begins where ours leaves off so that, if you threw a log of mugho pine in a river in Tasmania, it would sink to the bottom. But they have beautiful lumber and beautiful veneers down under. I have a sample in my office; I am sorry I did not bring it here. What an education the Minister of Fisheries will get in the manufacture of veneers—

An hon. Member: Oh, oh.

Mr. Harris (Danforth): I repeat, in the manufacture of veneers; that is the correct phrase, and I know what I am talking about. What an education he will get down under as a lumber man. I hope he brings back something of their technique and applies it to the production of veneers and other articles in British Columbia. If he applies his experience to conditions in this country I am sure it will aid our economy so that with the use of Alberta natural gas for power brought down through British Columbia instead of being taken down to the United States and then brought back up to British Columbia, we will have a greater opportunity to develop these God-given resources that are at our hand. When I refer to our resources I include gas and oil, about which I shall have something more to say before this bill is through.

This discussion has not been a waste of time. I say to my young friend over there, don't worry about its being nine o'clock. The bass fishing season does not open until July 1. We will be out of here by then, and I will be up to see you on July 2. I hope you will take me out to get some fish. Let the people of Canada—

Mr. Sinclair: And British Columbia.

Mr. Harris (Danforth): I will not say Canada and British Columbia; I will just say Canada; but when I think of Canada now I think of British Columbia and her potentialities.

Mr. Sinclair: At times we wonder whether we are a part of confederation.

Mr. Harris (Danforth): I do not like that suggestion, and I am glad it did not come from me. I have always loved British Columbia and every other part of Canada. I hope I shall never be that small; I like to think of Canada as a whole, and in my humble way I am trying to expand our economy in every possible way. Would that I were thirty years younger, Mr. Chairman. I would desert this city of Ottawa and settle in Alberta, in the hope that I might be able to help in the development of that province, bringing it closer to its destiny which lies ahead.

The Deputy Chairman: Order.

Mr. Harris (Danforth): I move the adjournment of this debate.

The Deputy Chairman: Before calling it nine o'clock I would say to hon. members that great latitude is being given in the discussion of section 1 of this bill. I do hope, however, that when we come to section 1 of any other bill the discussion that is now taking place will not be considered as a precedent.

Section stands.

Progress reported.

The Acting Speaker (Mr. Beaudoin): The hour for private and public bills having expired, the house will revert to the business under consideration at six o'clock.

Supply—Agriculture

SUPPLY

The house in committee of supply, Mr. Beaudoin in the chair.

DEPARTMENT OF AGRICULTURE

Administration service—

1. Departmental administration, $293,670.

Mr. Jones: Mr. Chairman, at six o'clock I had placed on record a letter from the Canadian chamber of commerce which suggested the thought I am trying to pass on to the minister; that this voluntary body has been doing excellent work trying to capture or recover some of our overseas markets. I pointed out that if a voluntary organization could do it, I felt that the government should either assist them to enlarge their work or step into the breach and carry on the work themselves. I think I should compliment them for what they have done and the public spirit they have shown in this one connection in trying to recapture our markets.

I should like to deal with one or two resolutions passed by the fruit growers of British Columbia along these lines. They also have ideas on how to go about recapturing the world markets that we have already lost. This is one dealing with marketing missions:

Whereas export markets for the products of Canadian farms have been contracting to an alarming degree which already has entailed grave losses to the agriculturists of the dominion, and

Whereas the threat of even greater losses is indicated by Ottawa, the United Kingdom and by other countries which formerly imported farm products from Canada, and

Whereas the continued absence of export markets will be disastrous to various important divisions of Canada's agriculture,

Therefore be it resolved by the British Columbia Fruit Growers' Association, in 1950 annual convention,

That the Canadian and the British Columbia governments be urged to set up special missions for the purpose of gathering exact information and constructive recommendations, with a view to developing markets outside of Canada, such missions to visit other countries in the course of their investigations.

That these missions supplement the operations of the four farm specialists appointed by the dominion Department of Trade and Commerce in October to speed up sales of Canada's foodstuffs in export markets.

I submit, sir, that that resolution is well worth consideration. It offers an alternative to the full responsibility by the government of doing that work which apparently they are not caring to do. At the same time I seriously suggest that the government consider the proposition made by several others during the last year for barter deals for our products and for products of other countries, particularly those countries that cannot produce the dollars. I am pleased to find in the

[The Acting Speaker (Mr. Beaudoin).]

Financial Times of March 3 this year what the Minister of Trade and Commerce said. I will read the quotation:

Trade Minister C. D. Howe on his return from a trip to Europe, stated in New York that he saw an over-all improvement in the outlook for increased trade there. Canada, he said, is encouraging private businessmen to arrange barter deals where such are found more desirable.

I do not know to what extent the minister intends to support barter deals, but I take it that he would consider assisting financially any company that is willing, on its own, to arrange barter deals or to assist with personnel or in some other way. In view of the statement by the Minister of Trade and Commerce, closely followed by a similar statement by the Minister of Fisheries, I would suggest that the cabinet as a whole reconsider its stand on possible barter deals. If it is the minister's wish that these various companies, and particularly in our case, the Tree Fruit Company Limited, carry on the barter deal on their own, then would the minister consider giving this company financial support and personnel support?

I would suggest, Mr. Minister, that at least this measure could be tried for one season; just try it for the coming season while the crop is not heavy and see what the result will be. I think that under the act I quoted this afternoon you have full power to carry out such an experiment. I feel that the looming fight for world markets today is such that the country that will get the market is that one that has the best trading plans. I would urge you, sir, to try this experiment for at least one year.

Another resolution that rather intrigues me is this one, and I think I should read it to the minister because he can take to task afterwards the minister involved:

Vitaminized apple juice:

Whereas Canada is producing surpluses of apples, with producers faced with serious losses if markets are not available, and

Whereas one economic and proper outlet is through the processing, distribution and consumption of vitaminized apple juice, containing an adequate measure of vitamin C (as noted in Diet Menu for Week, issued by authority of the National Health and Welfare Department, Ottawa, in September, 1949, volume 5, No. 9), and

Whereas the information services division of the above-mentioned department—

That is the Department of National Health and Welfare.

—excludes mention of vitaminized apple juice in its following bulletin of September, 1949:

"Citrus for health.—Drinking a daily glass of fresh or canned orange or grapefruit juice is the easiest and most pleasant way to be sure that the body's vitamin C requirements are met. The wish for variety sometimes leads people to choose other types of popular fruit juices, but none of these are as good an investment as the citrus fruits—either for economy or vitamin C content."

Naturally, when the fruit growers heard of this they were rather distressed because they felt they had the backing of the Department of Agriculture and through them the Department of National Health and Welfare. They went on record to this extent:

> Therefore the British Columbia Fruit Growers' Association in annual convention, January 17-19, 1950, recommends the National Health and Welfare Department:
>
> (a) to investigate intensively the relative merits of the vitamin C contents of the vitaminized apple juices and of citrus fruits, as taken from local retail markets, and also the canned citrus juices, and
>
> (b) to investigate thoroughly the costs to consumers of the vitaminized apple juices, citrus fruit and of citrus fruits, fresh, as taken from local "For economy and vitamin C content" as mentioned in the foregoing bulletin, and
>
> (c) to prepare a comprehensive report for examination and publication.

Mr. Gardiner: I am sorry, Mr. Chairman, to be obliged to interrupt the hon. member, but I cannot hear all that is being said. I do not know whether it is because of the noise or just what it is. But what is my hon. friend quoting from?

Mr. Jones: I am quoting from a resolution from the British Columbia Fruit Growers' Association convention held this year.

Mr. Gardiner: I understand that you are reading a resolution which is critical of something that was published, and I did not catch what you were quoting from then.

Mr. Jones: The gist of it is that the Department of National Health and Welfare issued, in a bulletin, a recommendation for the people of Canada to use citrus fruits as the best possible form of fruit juices. We naturally feel that we have a product of equal merit at least in apple juice vitaminized as ours is in the market today. I should like to draw your attention to what the growers have done with waste apples. The apple juice industry started from purely cull and waste apples, and the pack of apple juice this year would be 490,000 cases and 40,000 gallons of concentrate and 40,000 gallons of vinegar. The industry has built itself up until today it has buildings and equipment of a total value of $546,000, and a turnover in cash and shares of $600,000, all from culls. So that, on the other hand, if we had neglected this form of development the cost of dumping those culls would have been $50,000 to the growers. My point, Mr. Minister, is that I want you to take the matter up with the Department of National Health and Welfare and get that corrected, and get them to investigate whether our claims are not correct, that apple juice is equal to if not better than the citrus juice that they recommend so highly in their bulletins.

Mr. Gardiner: Better.

Mr. Jones: I could probably put it more specifically. I shall be quite pleased and satisfied if the Minister of National Health and Welfare will issue either a special bulletin or, in his next bulletin, a correction and a recommendation that apple juice is equally good for the modern breakfast table. I know the Minister of Trade and Commerce, during a recent discussion, in answer to the hon. member for Kamloops—I forget the subject now—when the hon. member for Kamloops shouted, "What about apples?", replied: "That is a bright remark. We are talking billions, and my hon. friend speaks of apples which incidentally are hardly food. Their content is water."

I should like to take issue with him, because last year Mr. R. P. Walrod, who is in charge of the production of apple juice in the Okanagan valley, found a method of fortifying this juice. So effective and so good was the method that for several weeks he lived on nothing but the fortified apple juice. At the end of that period he was weighed and examined by a doctor and he was in first-class health. He had not lost an ounce of weight. From that evidence I can assure you that the product we have is sound and good. In view of the adverse publicity, I would also ask the minister to consider assisting this industry to advertise in the coming year, and if possible put in a word with the authorities so that the army and navy will also use this juice.

There is one other point that I should like to bring to your attention, sir, and that is van der Glessen Brothers Limited of Grand Forks, who are Dutch bulb and seed growers. They are finding certain difficulties which are common to many producers of seed in Canada. Before the war the export of seeds, both vegetable and flower, was relatively unimportant, but during the war a good market was developed between British Columbia and England. Naturally this market is now lost through the austerity program and their shortage of dollars. The customers in both Britain and Europe are willing to buy British Columbia seeds and we have the seeds ready for shipping. It would require negotiation at high level to overcome this difficulty. The difficulties facing private firms who try to negotiate international trade are obvious. There are such things as customs tariffs, quotas, exchange difficulties, shortage of dollars, taxes and everything else. In this particular instance this firm has an order from Germany for several thousand dollars worth of seeds, but they are up against a brick wall. I will deal with that subject later on, particularly in regard to Germany.

I feel that Germany has either to remain a burden or to return to the family of nations. Personally I am opposed to rearming Germany, but I favour giving them all assistance to let them recover their agriculture. In other words, let them get on their feet again. One way is to supply them with the seeds they need, but that cannot be done because we are still technically at war with Germany. I understand that it may be a long time before a peace treaty is signed. Other trading nations have overcome this difficulty by effecting a treaty of commerce between themselves and Germany. I would ask the minister to get the proper department—I presume it is External Affairs—to endeavour to effect a treaty of commerce between Canada and Germany, and not wait for a peace treaty, and thereby give Germany a chance to recover on an agricultural basis so that she may meet her obligations to the rest of the world and particularly to Canada.

I would suggest that in such a treaty of commerce, which is the customary thing to do, at least $100,000 be included for vegetable and flower seeds. At the present time the soft currency countries are capturing all this type of trade. I should like to quote from a letter I received from the Department of Trade and Commerce quite recently. The information came from that department on December 5. In it they tell me:

> The most recent information that we have received on the western German exchange situation as a whole is that they have been running behind to the extent of approximately $500 million a year, most of which deficit has been covered by grants from the United States. In these circumstances, we understand that they, like all recipients of ECA funds, have been under pressure to reduce and keep down their dollar expenditures. They have consequently had to direct their purchases, to a considerable extent, to soft currency sources, especially ECA recipients and countries which have the goods available and are prepared to promote imports from Germany by discriminating in their favour.

It goes on along that line. Then, this firm to which I am referring were advised that they could possibly get funds from other channels, ECA or any channels they could find. They have done their best and have found no channels with funds available. Funds are given to others with higher priorities, I believe. The letter continues:

> We do not have a bilateral agreement with Germany and are not in process of negotiating one; but if we were to negotiate an agreement with them at the present time, it is highly probable that they would demand that Canada should agree to buy much larger quantities of goods from Germany as a condition of maintaining German purchases even at the present level.

I suggest that our present trade, what little trade there is being done between Canada and Germany, is done with the grace of the United States of America, through the use of United States funds. I contend that we should stand on our own feet. We do not have to stand on the charity of the United States. We can do just what they have done for their own nationals to provide funds for our own commercial concerns that wish to do business in that country. Other countries have found it important to trade with Germany. I am sure that time alone would prove that we would be wise to do it as well. My information is that at the present time seeds for the free zones in Germany are imported by the military authorities, and most of the orders for the 1948 crop went to the United States. I have evidence—I am not going to read it into the record tonight—from German sources that they are very keen to get these seeds that we have for sale in Canada.

The remarks I have applied to Germany apply equally well to other countries with whom we are still technically at war, or have not a peace treaty. I suggest that in view of the serious situation in which our growers find themselves at the present time all efforts, some of which I have suggested, and others that I have not, which the minister may know of, should be tried in order to promote the trading of Canadian goods with countries that are hampered by the lack of dollars.

Mr. Quelch: I have one or two questions that I should like to ask the minister, but first of all I should like to make a few general remarks regarding the marketing of agricultural produce.

We have been told by the food and agriculture organization and other bodies that the population of the world today is expanding at a faster rate than our production of food. We are informed by the food and agriculture organization that the supplies of food per individual are today less than they were in 1939, and that even with expanded production it will continue to be less for the next six or seven years, and for a considerably longer period of time than that in so far as the Far East is concerned. Whether or not we benefit by that potential market will largely depend upon our own policy; that is, whether or not we adjust our international trade policies so that we are able to enter those markets.

During this session I think it has become quite evident that some at least of the ministers in the government lack confidence in our own international trade policy. I think that was shown quite clearly by the speech of the Minister of Fisheries when he suggested that in order to be able to increase our exports of certain products we should enter into barter agreements.

From time to time the Minister of Agriculture has expressed a certain degree of concern regarding our international trade. Today the farmers are being repeatedly told that they will have to make the price of their products competitive so as to be able to enter the markets of the world.

In order that farmers may make their prices competitive they will have to be in a position to reduce their costs of production. But unfortunately many of the farmers' costs are of an uncontrollable nature, and for the last few years those costs have been still increasing. Even as late as last fall the price of machinery took a sharp rise, freight rates went up and various other costs increased.

So I would say it is not so much a question of the farmers making the prices of their commodities competitive as it is of the secondary industries making the prices of their commodities competitive. Because, after all, if we want to sell farm products abroad we must enable nations to sell their products to us in order that they may obtain Canadian dollars with which to buy our produce; and in order to accomplish that tariffs will have to be kept down.

I think by now manufacturers in this country should be in the position to stand on their own feet. I was very much interested in a statement made by Professor Galbraith before the annual convention of the Canadian Federation of Agriculture. The report in the *Manitoba Co-Operator* of February 9, 1950, contains this:

> If our manufacturers, both in the United States and Canada, feel they must continue to have protection from European imports then they must candidly admit the consequences of their demands. Because of their need for protection, they are denying Europe dollars with which to buy agricultural products. Europe is thereby being denied access to the efficiently produced farm products of the western hemisphere because the manufacturers of the west, their vaunted claims to efficiency notwithstanding, cannot stand the competition. The American and Canadian farmer is being asked to take the rap for them.

Again I stress the fact that instead of harping upon the suggestion that farmers must be prepared to make the prices of their products more competitive, we must realize that before that can be done the prices of products of secondary industries must also be made competitive. If the prices of manufactured goods fall, then the prices of agricultural products could also fall without any detrimental effects on the farmers. Because, after all, the farmer today is asking only for a price that bears a fair relationship to the prices of other commodities.

The government has set up machinery to provide support for the prices of agricultural products. This session that legislation was amended so that it shall carry on indefinitely. It is well for people to remember that the farmers have already paid for that support by accepting for their commodities, ever since 1942, prices which were lower than world prices. If one considers the amount of money lost as a result of taking those lower prices, one will find that it is a very substantial sum. My suggestion is that it should be regarded as a reserve established for the purpose of maintaining fair prices in the future. I would say that the main concern of farmers today is the fear that prices will not be maintained at a fair level in the future.

I agree with statements made from time to time by the Minister of Agriculture to the effect that our chief market is the Canadian market. Also I believe we can all agree that even today the Canadian market is not developed to its full capacity. It is my view that the government should give careful consideration to adapting in some form the Brannan plan, which is gaining more and more support in the United States. I mention this especially in view of the fact that we are constantly faced with the danger of surpluses of certain commodities in this country.

For instance, we have had a butter surplus. I think when a surplus occurs the government should be prepared to introduce a policy somewhat along the lines of the Brannan plan under which those surplus commodities can be sold to the consumers of Canada at a reduced price. To put it another way, we cannot afford to allow the fear of a surplus to reduce our production. No one could suggest that such a policy could be justified in a world where many people face the danger of mass starvation.

I understand when the Minister of Agriculture was out west he recommended a reduction in wheat acreage to the extent of three million acres, and that the farmers increase their production of coarse grains and grasses. But when the Minister of Trade and Commerce spoke in the house on the wheat resolution he stressed the fact that we are having greater difficulty now in selling our farm produce. He visualized a certain amount of difficulty in selling our farm produce, other than wheat, in the future. In so far as wheat was concerned he pointed out that he did not expect any difficulty in selling it because it is the best wheat in the world and our price is competitive.

I ask this question: If wheat is the one agricultural product we can sell readily, and if the Minister of Trade and Commerce feels there will be no difficulty in selling wheat in the future, is it really wise to reduce our wheat production and to increase the

production of other commodities which may not be sold so easily? After all, if we extend the production of coarse grains and grasses it is almost certain to result in increased production of dairy products and hogs.

I believe the farmers are concerned about the sale of dairy products. We have heard a good deal about it in the last year, and there seems to be some uncertainty as to the future of the hog market. From the point of view of sound agriculture I would agree with the Minister of Agriculture one hundred per cent that it is in the interests of agriculture to reduce our acreage of wheat and to have more grasses if for no other reason than to restore the humus to the soil, and to prevent soil drifting. It is time we adopted some form of crop rotation. But from the point of view of whether or not we can sell our produce, it seems to me it is better to produce a commodity we can sell readily, when we have already been told by the Minister of Trade and Commerce, as I have already pointed out, that there will be no difficulty in selling wheat because it is the best in the world and our price is competitive.

Therefore when the minister speaks I would ask him to tell us what he considers the prospects are in regard to the sale of hogs in the future. What does he expect the hog market to be? Does he feel that farmers should go ahead and expand hog production—because I believe that is taking place now in western Canada. I know in the part of the country from which I come hog production is expanding. Can they continue that expansion with a reasonable degree of safety? Can they also expand their production of dairy products? If the minister is not able to give that assurance, then does he not feel it might be safer for them to maintain the present level of wheat production? Because, even if wheat does become a surplus commodity, it is much easier to store wheat than to hold hogs, once they reach the weight of two hundred pounds.

Mr. Gardiner: Let me say first that I do not think this is the time to discuss in detail the marketing of specific products, because we will deal with them under the marketing items and other items as they are reached. However, as to the general question of wheat acreage, and the production of other products, let me say I was very sorry to see in a report issued yesterday from the bureau of statistics that farmers of western Canada are still insisting that this year they are going to seed about the same acreage as they sowed last year. I think probably some of the reasons are found

in remarks similar to those made within the last few minutes. I have never at any time argued that there should be less wheat produced in western Canada, but I have argued that they will be able to produce more wheat with 3,000,000 acres less land provided what they use is properly farmed. The production will be greater under those circumstances than if they attempt to seed 27 million acres to wheat year in and year out in western Canada. I think the record indicates very conclusively that this is right.

We are not able to grow wheat on most of our land in western Canada every year or even every second year. First we must carry on rotation and then in addition to rotation we must enter into that rotation the summer fallowing of land. If we are going to grow wheat in considerable quantity throughout western Canada we must summer fallow in some form or another—I am not just talking about black top summer fallowing which some people do not like—over a very considerable area at least one-half of the land. In a very considerable part of the country about one-third of the land will have to be summer fallowed. In other areas the proportion is smaller, but it will average out not far from one-third of our land.

That means that something over 20 million acres of land must be summer fallowed. If we have about the same acreage in grasses and coarse grains and other forms of crop as in wheat, then we cannot have more than 22 million or 23 million acres left for wheat. I think the record shows conclusively that if we have about that, year in and year out, over any period of five or six years we will grow more wheat than in any other way.

Having said that, I want to make one or two references to the questions that have been asked. One was: Do you think we have come to the time when we should be going back into the production of hogs in a big way? In so far as eastern Canada is concerned, they are producing hogs in just about as big a way as ever. In other words, I think you will find that in the areas where they depend upon hog and dairy production for their existence they are producing just as many hogs this year as ever before.

But we have acted differently in western Canada because it is a different area. For example, in Saskatchewan we had some 1,700,000 hogs on the farms in 1944, and today we have only about a quarter that number. The change from 1943-44 down to the present time, a matter of only six years, has been considerable. Still I would not say at this moment that we should be rushing back into

hogs in western Canada, but I see no excuse for anyone getting out of the production of cattle.

Instead of cutting down the number of beef cattle which we have upon our farms in western Canada we ought to be increasing it. There never was a time when higher prices could be obtained for beef cattle and there never was a time when more money could be made out of beef cattle than at the present. In western Canada it is not so much a matter of finishing cattle on grain because in many parts they can be finished off the pasture and sold at a good price. So I think we should be producing more and more cattle and we should be gradually getting into hogs.

You can get into hogs in about a year's time, but it takes about three years to get into two year old cattle, and it is the two year olds that we want to sell. So it is a mistake for farmers to be cutting their breeding herds down simply because they can get a good price and are afraid they are not going to be able to get it later. That is what I mean by saying that the kind of talk we have just been listening to is the kind of talk which gets people doing things which they would be a little better off if they did not do.

If you scare people into believing that they are not going to be able to sell their cattle at a good price next year, they will sell all they can this year. If you scare them still further with regard to the year after that, they will go right on doing what they are doing and eventually we get into more or less trouble in the marketing of our product not because of surplus but because of shortage.

Then my friend says, "What about dairy cattle?" I have said so many times in this house something which no one seems to believe and so I hesitate to repeat it, but we have no surpluses of either butter or cheese at the present time. To say that 20 million pounds of butter that is being held by the dairy board at the present time is a surplus of butter in this country is just absolute nonsense. You could not operate in the manner in which we are operating under the board if you did not have 20 million pounds of butter. When we started into the plan last year, which is the plan we are again operating under this year, we started in to correct a situation.

A representative of the Canada Packers came before the prices committee of this house and gave evidence freely and deliberately. It was indicated that they had bought butter at a certain price throughout the summer months and then had sold it throughout the winter months at another price level, clearing approximately twelve cents per pound in doing so. I do not blame anyone in business for carrying on business like that if he can. The representative of the company went further than that in giving his evidence. He said that they just could not avoid doing it under the conditions which then existed. He said that they did not desire that profit, but if they were going to carry on under the conditions that existed it would result in that kind of return.

We went into the market the next year for the purpose of stabilizing it, not for the purpose of either holding the price up at a high level or cutting it down to a low level. Our chief worry in the early part of last season was whether we were going to get any butter, not whether we were going to have 20 million pounds. Our chief worry was to get into our hands 30 million or 40 million pounds of butter at least so that when the winter came if anyone attempted to charge 75 cents a pound for butter we could deliver it at 58 cents plus the carrying charges. So throughout the whole of the winter months we delivered butter at 58 cents plus the carrying charges with the result that the consumers of the country paid a price which was based upon 60¼ cents at the wholesale level. They were able to buy at that price at any time during the year. In addition the farmer obtained a price all the way through the year, summer and winter alike, that never went below 58 cents for his butterfat at the creamery, basis Montreal.

That is what we started out to do and that is what we did do. Oleomargarine or anything else did not prevent our doing it. We went through the season doing it and at the end we had 19 million pounds of butter. In order to adjust the position down to the new level which we thought it was wise to have for another year, it would cost us five cents per pound generally speaking on the 19 million pounds we have. That would total something over $1 million, but even if it totalled $1½ million, what is that in seeing to it that 372 million pounds of butter were marketed in the country, giving to the producers a stabilized price of 58 cents and giving to the consumer a stabilized wholesale cost of 60¼ cents?

I cannot see how you could have any cheaper way of stabilizing the price both to the producer and to the consumer, if that is what you want to do. When we got to the spring of this year if we had not had butter at the time the adjustment had to be made we would be again back in the position where we could not put butter on the market in order to see that a certain thing was done or that a certain thing happened.

While we have butter we can adjust it as we think it ought to be adjusted. On this occasion we thought a downward adjustment of 5 cents ought to be made. I assume that over the years ahead of us in all probability for a time adjustments will be in a downward direction, but if the policy and plan continues over a term of years eventually we will come to a time when the adjustment may be down one year and just as likely be up a similar amount the next year. We may go down one cent or two cents one year and be up one cent or two cents the next year. One will balance against the other.

That is the plan which is in operation, and if we never get below 20 million pounds of butter we do not need to be worrying about it. If we never get above 20 million pounds we do not need to be worrying about it very much. The only time when you need to worry about being below that figure is around Christmas. Then one certainly should have about 40 million pounds of butter if you are going to take care of that market and see to it that nobody walks in and makes the consumer pay a price he never should pay. We ran into a difficulty which we did not expect to meet, and we have had a little experience which may suggest improvement. You will recall that for last year we set the end of what might be called the dairy year to correspond with the end of the financial year. That is not the natural end of the dairy year. The natural end of the dairy year is the last day of April, and the first day of May over a long period of years has been the first day of the new dairy year. We worked last year on the financial year in order to make it more convenient for those who were financing. When we came down to within a week or two of the end of that time we announced we were going to continue it for another month. A lot of people across the country who were running stores and taking more or less of a chance in connection with the matter, this being the first year of the operation, began to wonder whether they were going to be required to take the two cent, three cent, or five cent loss that people were talking about. Therefore they cut down their stocks in their stores so that they would not be loaded up at the end of the time and have to take a loss.

When it became apparent that we were going to take care of the adjustment, then most of them had their stocks provided in the ordinary way from their usual wholesalers without any great difficulty. I found, however, that a great many of the smaller stores around the country did not get stocks. When they were not getting stocks the really live agents of those who were putting out oleomargarine put that product on their counters. In country areas throughout the dominion during the latter part of last season a great many farmers who were accustomed to using butter on their own farms were using oleomargarine. It is all very well to criticize it, and I do criticize it; but at the same time I realize it was the first experiment in the new plan and that people were likely to do things which they probably will not do a second time. Therefore with that experience we are hopeful that when we reach the end of another season there will be no great difficulty.

I say that in order to get out of the minds of those in this house who are thinking in terms of surpluses the idea that there is any surplus of butter that ought to scare anybody away from continuing to make it. Over all the years that I have had anything to do with agriculture we have just made the amount of butter that we have been able to consume in this country, and we should go on aiming to do that. If we put enough of our enthusiasm and ability into the marketing of butter in this country I do not think we would need to be talking so much about oleomargarine, and by the very fact that we are talking about it more or less advertise its sale all over the country. Butter is the best food that is put on the market in Canada, and in accordance with food values it is the cheapest in these days of high food prices. That being the case, I do not see any reason why we should be worrying about any surpluses harming us in that direction.

Turning to cheese, it is a dairy product that has to be sold largely outside Canada. We have 17 million pounds, or we had a few days ago. I should not have said that we have 19 million pounds of butter. The last time I looked at the figures we had about 17 million pounds. At the beginning of the dairy year we had about 17 million pounds of cheese. The people of Canada eat close to 60 million pounds of cheese. We have 17 million pounds and the trade has 17 million which makes about 34 million, and we eat almost double that. We are requisitioning cheese to send to Great Britain. She has undertaken to take approximately 85 million pounds. We have been asked by the producers of cheese to requisition it until we fill the British contract, and that is what we are doing. Remember that the year before last we only produced 96 million pounds, and last year I think we produced about 114 million pounds. Since our production has been hovering around 100 million pounds a year, and if we are going to send 85 million to

Great Britain, and we only have 34 million in storage, there is not going to be any great difficulty in marketing any amount of cheese which seems to be in sight during the year ahead.

In other words, what we ought to be doing in the house and elsewhere is telling the farmer to continue to produce as he has been producing and as he thinks he ought to produce. There has not been up to the present, and there is not likely to be in the immediate future, any great difficulty in selling. We can sell all our butter on the Canadian market if our production continues at the level it has been. We sell most of our cheese in the British market. If there is any danger at all at the present time in the figures which I have just given you, it is that we may run ourselves a little short on the Canadian market, although we are not going to be in any great difficulty at the end of the season if our production continues as at present seems probable.

Therefore in so far as cattle and dairy products are concerned I think we should be going right ahead with production. I do not know of anywhere that the farmer can make more than he can by going ahead and producing beef cattle at the present time, and at the moment returns are very good from dairy products as well.

As to hogs, I think eastern farmers will continue producing them. I think it was the director of livestock in Ontario, Mr. Watson, who said at our conference last December that Ontario farmers depend for 60 per cent of their income upon dairy products and hogs. He went on to say they just could not stay on their farms without producing dairy products and hogs. I think every Ontario farmer realizes that. So long as that is the condition there is no need to worry about their production being cut very much. They keep their production at about the same level all the time. They did so in wartime, before the war, and are still doing so. In western Canada hog production rises when we find a shortage in the United States or somewhere else which makes it possible for us to market great numbers outside our own country. Then hog production goes down when we find any excuse for letting it because we like to produce grain in western Canada a little more than we like to feed hogs. If we can find any really good excuse for cutting down on hog production we cut down and we stay down until we have reason to feed hogs again. I am not worrying about that side of it. At the moment all I am worrying about is that the cattle on our farms in western Canada are not in as great numbers as I would like to see.

Mr. Quelch: When the minister commenced his remarks he rather deplored the fact that I had made what he apparently considered a pessimistic speech. I was not being pessimistic for a moment; I was not even being critical. I was just referring to a statement by the Minister of Trade and Commerce that had been very optimistic in regard to the marketing of wheat but not so optimistic in regard to the marketing of other products. Therefore I asked the minister to give the house a statement of the situation as he saw it. I am very glad he has made this statement; I think it is a good thing. There is no doubt, however, that many people were worrying just as I was worrying, as a result of the statement made by the Minister of Trade and Commerce, and particularly because of the statements that appear in the press periodically referring to our surplus of butter and the tremendous surpluses of farm products in the United States which they are liable to dump on world markets at any time and depress prices.

I think the minister will agree that one reason the farmers have not reduced their wheat acreage is that since the Minister of Trade and Commerce seems to have such a steady market for wheat, they decided it would be better to raise wheat. In other words they are following what they consider to be a recommendation of the Minister of Trade and Commerce. But I think the minister will also agree there is another reason the acreage of wheat has not gone down. The minister knows that last year, owing to crop failures, a very large acreage was tilled under. In the district from which I come the acreage is perhaps fifty per cent greater this year, because of the large acreage tilled under last year.

Mr. Gardiner: And throughout the previous drought period they found it to be a mistake to try to get back this year what they lost last year because of drought.

Mr. Quelch: Yes, but as the minister knows the situation last year was different from an ordinary drought. In that area it did not rain until after July 1, and hundreds of acres never turned green at all, even after the rain came. The wheat was sown; apparently it rotted in the ground, and even when the rain came early in July the wheat never came back.

Mr. Gardiner: I repeat, because I think it is most important, that this was the reasoning we followed from 1931 to 1937, and by 1937 we were growing an average of two and a half bushels to the acre on an average all over Saskatchewan. We do not want to reach that point again. We got our acreage up to twenty-eight or twenty-nine million; by ourselves

trying to get back one year after another what had been dried out the year before, until eventually we had very little if any wheat. I think we will go through the same experience if we follow that practice again.

Mr. Quelch: But half of that area was already in summer fallow last year.

Mr. Gardiner: That was the case back in the thirties, too; it was in summer fallow just in the way you are talking about, because we had to summer fallow it. That is not summer fallow at all.

Mr. Quelch: Half of it was in summer fallow and the other half was sown to wheat. That crop never came up; after July 1 that ground was as black as the rest of the land. Is the minister going to suggest that that land should not be sown again?

Mr. Gardiner: I am going to suggest what I am sure my hon. friend has found in practice. The reason you keep land black all through June is to put the June rain of that year into the land and keep it there. But if you sow something on it and it grows during June, and then the crop dies out because there is no moisture, what is the use of saying that is summer fallow? It just isn't.

Mr. Quelch: You have it all wrong. I explained that the rains did not come until July 1 or July 3, so nothing grew.

Mr. Gardiner: They didn't come even then.

Mr. Quelch: The land that was sown was just as black as the land that was not sown. The wheat had died, moulded in the ground, so there was no difference between that land and the land that had been summer fallowed. As a matter of fact it was in better shape than the land that had been in summer fallow, because that land had to be cultivated.

Mr. Gardiner: If you follow your own argument you will argue yourself out of a crop.

Mr. Quelch: I would be prepared to wager that the land which was sown last year and produced no crop, this year will produce a crop as good as if not better than the land that was summer fallowed. The minister is fond of saying you can trust the farmers to do the right thing, and that is what they are doing. As the minister knows, the area around Drumheller is one of the best wheat growing areas in Canada, and that is the practice being adopted there. I will have to be shown that it is not sound.

Mr. Gardiner: My hon. friend is talking about an area where it did not rain.

Mr. Quelch: Last year it did not rain until July 3.

[Mr. Gardiner.]

Mr. Gardiner: The area the hon. member has just described apparently does not need the amount of summer fallow that most of the land in western Canada must have.

Mr. Quelch: We summer fallow half the land each year in our area.

Mr. Gardiner: You are not doing that when you do what you are suggesting tonight.

Mr. Quelch: Nature forced an extra amount of summer fallow.

Mr. Gardiner: Anyway, we want three million acres less wheat. What is the use of asking for advice if you just argue after you get it?

Mr. Quelch: That is not the point on which I asked advice. I asked about the policy regarding hogs and dairy produce.

Mr. Harkness: The question before the committee seems to be when summer fallow is not summer fallow, but I would like to refer to the question of butter and hogs, which the minister was talking about a few moments ago. You know, the minister is an amazingly ingenious dialectician. For the first time tonight he brought forward the proposition that the floor price was put under butter to protect the consumers. The dairymen have been under the impression ever since this floor price was put in that it was done to protect them, to make sure the price of butter did not fall below 58 cents, which would make it impossible for them to produce, at any rate according to their own claim.

In addition to the dairymen I think up to this moment every member of this house was under that impression. We voted money, to the extent of some $200 million all told, as a sort of revolving fund which the minister could make use of to put floor prices under agricultural products. Not long ago he rose in his place in this chamber and said he had taken a certain amount of money out of that fund to put a floor price under butter. Certainly there was no question in our minds but that this support price was for the purpose of protecting the dairy farmers; but, as I say, the minister has now confided to us for the first time that it was not for that purpose at all but to protect the consumers. When the consumers read about this in the newspapers tomorrow I am sure they will laugh and laugh; but it is going to be a very derisive laugh. It will be very difficult to convince the consumers—

Mr. Gardiner: They will be laughing at you, because that is not what I said.

Mr. Harkness: —that the minister has put this floor price under butter for their protection. He went on to say there was a

surplus of only twenty million pounds; in fact he said it was not a surplus but only twenty million pounds in hand. The hon. member for Greenwood suggests that it is just working capital, and hardly enough of that, so there is no need to worry about it at all. A little later on the minister said that during past years we have made in Canada just the amount of butter we could consume. That is more or less correct, of course; but I would point out to the minister that during those periods we were not consuming any margarine. I have not the figures at the moment, but if he will look them up I am sure he will see there has been a constant increase in the production and sale of margarine every month since it came on the market.

There is no use trying to delude the people of Canada or members of this house into believing that the sale of margarine is not going to reduce the sale of butter. Now that we are in the position of having twenty million pounds of butter on hand at the end of what you might call the storage period, when new production is starting and we are going to be building up our supplies of butter again, a year from now we probably will still have that twenty million pounds on hand, unless it is sold outside the country or used for industrial purposes or consumed in some other way. I do not think there is any other answer but that this twenty million pounds of butter is not going to be eaten as long as the relative prices of butter and margarine remain anything like they are at the present time.

In addition to this twenty million pounds, which in my opinion is an amount the minister is stuck with, we will say, and which he is going to have extreme difficulty in getting rid of anywhere, I should like to know how much of this butter which was taken over has already been sold abroad at cut-rate prices. I know that a certain amount has been sold to Germany. I do not know where else it has been sold, but certainly some has been sold abroad at prices considerably less than the going price. We therefore now find ourselves, Mr. Chairman, in the ridiculous situation in which the minister is using this agricultural floor support price money to protect the consumer of butter so that he will have to pay for it more than the Germans or other people abroad have to pay for it. Of course the dairy farmer thinks he is being protected by it too, but that is an error, I guess.

I should like to know just where we are going in this matter. Certainly it does not make good sense. It seems to me that, instead of trying to persuade the committee and the country that there is not a surplus of butter at the price at which butter stands at the present time, the minister should admit what the situation actually is, namely, that as long as margarine is being sold at the price at which it is being sold—some twenty cents or some figure in that neighbourhood below the price of butter—it means that we have not at home the market that we used to have, and that some other means must be taken of disposing of this butter. Otherwise the farmers must be persuaded to put their milk into some other form of production.

While I am on my feet, I should just like to comment on the minister's statement about hogs. It happens to be a subject I know something about. He said that hog production was quite satisfactory in the eastern part of Canada and he saw no reason why it would decline. In the west it has declined considerably, but he was not worrying about that. He did not think the farmers would go out of hogs any further than they had done—that is what I gathered from his remarks—and they were better to put their efforts into beef. With the present relative prices of beef and hogs, there is no question about the fact that a man is much better to be raising beef. There is no argument on that at all. I think the minister will admit that one of the main factors that discourage the farmer from growing hogs is the hog barley ratio, which means the price of coarse grains in relation to the price of hogs. In the last issue of this livestock and meat trade report put out by the minister's department, I notice that for the week ended April 29—which was the last one on record—the hog barley ratio at Winnipeg was 14·1. The long-time average is 17·4. The figure of 14·1 is the lowest point it has been at for some considerable time.

I would suggest to the minister that that is one of the reasons why a great many people—and they are already doing so, as far as that goes—will get out of the hog business. People are not prepared to put in the labour which is considerable in raising hogs, when the relationship between the price of hogs and the price of coarse grain is so unsatisfactory as it is at the present time. I think the minister is deluding himself and is attempting to delude others if he has any idea that people are going to increase or even anything like maintain the present hog production in Canada as long as coarse grains are so expensive in relation to the price of hogs.

Mr. Herridge: I make no apology, Mr. Chairman, for taking a few minutes of the time of the committee to bring to your attention and that of the minister some of the problems of my constituency.

Before proceeding with these few comments on the matters I wish to deal with, I think I can correctly say to the minister that, so far as my constituents are concerned, the fruit farmers are glad they have received some financial assistance from the dominion government towards the cost of the 1949 crop. The vegetable producers, I would say, are highly indignant over the unannounced removal of the import restrictions on vegetables, and the poultry producers are just plain mad at the mangling they have had in the last three or four months.

I think it is generally admitted throughout the country that the minister has wide knowledge of his department and that he is thoroughly conversant with and interested in agriculture; but I think his strict adherence to the principles of the Manchester school of Liberalism prevents him from facing squarely certain of the marketing questions that are facing this country and the world today.

This evening I want to deal briefly with the question of land conservation, the use and conservation of water, and the proper use or utilization of land for agricultural purposes. I want to make a few brief remarks about the marketing problems faced by the producers, by British Columbia and by my own constituency. Then I want to bring to the attention of the minister and of the committee certain problems that affect my own constituents and certain suggestions that they have asked me to make as an indication of the remedies they think might be given effect to.

I am not one who believes that our production problems, our marketing problems, or any of these problems, can be solved in some easy and quick way. I realize that if we are going to work our way through these difficult times and find a democratic and satisfactory solution to these problems, it is going to mean co-operation between governments and co-operation on all levels of those interested in solving these problems for the common good.

I want to say a few words tonight on soil and water conservation, and on land use as related to agriculture, because I believe that with millions hungry in the world, with thousands unemployed in Canada at this time, and with possibly thousands continuing to be unemployed at certain periods, we cannot continue to waste our land and water resources, to waste our opportunities for producing that necessary food and to waste the opportunity of providing labour if we aim to plan to give that labour something to do.

I wish therefore this evening to deal with a suggested national policy of soil and water conservation and land use which has been drafted by the Agricultural Institute of Canada and which I understand was presented to the minister about a year ago. I understand that this policy was the result of several years' work. It is the result of, shall I say, a combination of idealism, intelligence, brains, science, knowledge and hard work. I am a member of the organization myself; and personally, I am of the opinion that this worth-while professional organization of scientific agriculturalists in Canada have not performed a more useful service than they have in presenting this policy to the Minister of Agriculture and to the nation. Because I have been interested throughout my life in land and water conservation, in conservation measures of all types, I do not apologize in any degree for bringing this matter to the attention of the committee at this time.

Just to give one illustration, Mr. Chairman, of the great need of some national policy in this respect, I want to deal briefly with a situation that has existed in my own constituency for over 45 years. I know the great need on the prairies, in the maritimes and in other places; I know the general need, but in a few moments I can give an illustration of deplorable neglect and inaction because of the lack of a policy of the type suggested by the Agricultural Institute of Canada.

There is in my constituency a very beautiful valley known as Lardo valley, which is about 30 miles in length on the northeast of the Kootenay lakes. In that valley will be found some 500 million feet of uncut timber, matured. It should be cut now. It should have been cut many years ago. It is virgin timber. There will also be found some 10,000 to 15,000 acres of first-class land. There are abundant water supplies. There is everything in that valley to build up a stable agricultural and forestry industry over a long period of time, and to provide home sites and farms for hundreds of people. But today, because of a lack of a national policy on land and water use, and the co-operation required between federal and provincial governments, this great opportunity remains neglected; remains neglected, Mr. Chairman, while we have thousands of young Canadians who are anxious to secure farm sites and opportunities to farm under somewhat pioneer conditions at reasonable rates; young men who have not the $10,000, $15,000 or $20,000 required to establish themselves on an improved farm close to larger centres of population, but who

are seeking an opportunity to establish themselves at a low cost and to develop a farm with little capital, but as the result of hard work and sticking with it.

In this valley we have this land, we have the timber, we have the water, and yet for years we have had federal government experts go in there and look the situation over for another department of government, not the Department of Agriculture. They reported the fertility was there, the water and the timber were there, but nothing could be done. They would not recommend settlement because 12 miles of a road had to be built to give communication from that valley to the outside world. Provincial government inspectors have done the same thing, and have reported that 12 miles of road were required, and there were no services. There was no small hospital; there were none of these services required to establish a small community.

This has gone on, as I say, for 45 years, because there is no co-operation between the provincial and federal governments and no interdepartmental co-operation. If we are to develop great assets like that in this country we must have a policy that provides for co-operation between federal and provincial governments and between departments.

Not only is co-operation necessary between governments to develop a project such as that, but it would require the co-operation of the Department of Agriculture and the Department of Public Works, to look after the navigation and the draining of rivers. It would require the co-operation of the Department of National Health and Welfare and the Department of Mines and Technical Surveys. But we lack that departmental co-operation—and I find, Mr. Chairman, so often that governments become extremely departmentalized. In this instance a question arose of removing a log jam from a river at a relatively small expense, so that boats could tow booms down the Duncan river. It would have meant an expenditure of around $4,000. I happened to mention to one public works official that this lowering of the dam would not only provide for navigation but would also lower the river at high water, and drain some 3,000 to 4,000 acres of beautiful black land in the Meadow Creek area. I was immediately told that I must not suggest that; that the Department of Public Works had nothing to do with draining land. If it was going to do that it could not be considered; that it must be strictly for navigation. And yet one little operation, and a little expansion of one operation, would have meant the draining, not of 3,000 or 4,000 acres only, but of 10,000 or 12,000 acres.

I give that, Mr. Chairman, as an illustration of the lack of departmental co-operation. I am not blaming the heads of departments; I am not blaming the officials; it just results from the lack of a national policy of soil and water conservation to make the best use of our land and water for agricultural and other developments.

Now, Mr. Chairman, I am going to place this policy on the record. I am going to read it because I think it is a document which is well worth bringing to the attention of this committee and well worth bringing to the attention of the Canadian people. The policy reads as follows:

The Agricultural Institute of Canada therefore urges:

(a) that the dominion Department of Agriculture recommend to the government of Canada the immediate establishment of a national policy of soil and water conservation and land use for Canada, and that the government make provision for the necessary legislation;

(b) that under the act there be appointed a dominion co-ordinator of soil and water conservation and land use;

(c) that a national council on soil and water conservation and land use be established on a joint dominion and provincial basis, with sufficient powers to implement programs according to the need across Canada;

(d) that having regard for the variable nature of soil conservation, reclamation, and land and water utilization, procedure, and practices across Canada, and inasmuch as the land resources of Canada are for the most part vested in the provinces, the custodianship and conservation of our land and water resources available for agricultural purposes be the responsibility of the department of agriculture in the province concerned;

(e) that the provincial governments be asked to provide the legislation, administrative organization, and educational services necessary for the effective utilization, conservation and reclamation of soil and water resources and further that they be asked to design ways and means of encouraging cultural and land use practices which will maintain and enhance the productivity and usefulness of our soil and water resources;

(f) that the provinces provide such legislation, aid and guidance to municipalities and farmers as will permit them to effectively perform their duties resulting from soil and water wastage and deterioration;

(g) that under the provincial legislation there be established local autonomous committees to implement land use and soil and water conservation projects;

(h) that the dominion and provincial governments inaugurate an immediate program for the training of personnel adequate to provide an advisory service to farmers, and

(i) that in view of the immediate need for an advisory service to farmers, existing staff be trained and used to the fullest possible extent.

It is the opinion of the Agricultural Institute of Canada that under the above legislation and organization the necessary agreements between the dominion and the provinces can be implemented.

The above program is recommended by the Agricultural Institute of Canada to provide a broad national policy for the conservation of the land and water resources of our dominion.

I heartily agree with that policy, and it appeals to me in many respects. It does not ask the federal government to do everything or the provincial government to do everything. It means, if implemented, satisfactory co-operation between federal and provincial governments and farmers or, should I say, the rank and file concerned. I think it combines the opportunity for government direction and government guidance with self-help, local improvement and local interest.

That program has been presented to the Minister of Agriculture, and about 8,000 reprints have been sent to interested individuals and organizations throughout Canada. In a matter like this, which is a somewhat abstract question to many people who may not think deeply on these problems, problems which in many cases do not affect them directly because of the lives they lead, it takes time to build up public opinion in support. I know however from my acquaintance with large numbers of people in Canada, and my knowledge of a good many organizations and institutions, that there is a slowly growing interest in Canada at this time as a result of the efforts put forth in this proposed national policy by the Agricultural Institute of Canada, and that there is decided public opinion in favour of the establishment of such a policy.

This policy has been recommended by the Canadian Federation of Agriculture. Interest is being taken in it by universities and other educational institutions, by development organizations across Canada, by chambers of commerce, by labour organizations, by business organizations and so on. In fact, I have before me a list of twenty-nine major institutions, organizations or business concerns which are now taking a direct interest in the promotion, knowledge and understanding of the policy I have just read to the committee.

When the minister replies before his estimates are concluded I would ask him to tell the committee his opinion of this policy, and to state whether there is any possibility of the dominion government's accepting the recommendations and giving some effect to them in the immediate future.

I wish to deal briefly with world market surpluses. I shall be brief indeed because I support the remarks of the hon. member for Acadia, and I do not think it is necessary to repeat them, more than to underline what he said about the necessity for accepting the policies advocated by the Canadian Federation of Agriculture and by the International Federation of Agricultural Producers with respect to the need for a world pool for the distribution of agricultural surpluses.

May I make a few brief comments with respect to the fruit industry of British Columbia. When I speak for the fruit growers I speak as one who has been interested for forty-five years, who has grubbed out stumps. So at this point I do not represent those farmers who ride on rubber-tired tractors and who use the big machinery with headlights, and all the rest of it. I represent the farmer who walks behind the walking plow, the farmer who uses the mattock, the shovel, the pickaxe, the axe, and other instruments of that kind. I represent the small farm hewn out of the forest.

But I do suggest that our fruit growers of British Columbia do urge that greater efforts be made by the government, particularly by the Department of Agriculture and the Department of Trade and Commerce, to develop the potentialities of the British market for our fruit. We believe those departments have underestimated the possibilities of that market. When we read of Australia making a deal less than a month ago for three million boxes of apples, and of apples being shipped from Italy and other countries, we realize that when we were told a year or two ago by a representative of the Department of Trade and Commerce that Great Britain would be nearly self-sufficient in apples, because of heavy plantings, we were not told the facts. I think that in this connection it would be proper for me to quote Sheridan when he said that the honourable gentlemen were using their memories as far as their wit was concerned, but their imaginations as far as their facts were concerned.

I do urge that every effort be made to explore the future possibilities of the United Kingdom market, knowing of the difficulties which are created by the exchange situation. I wish to express my appreciation—and I am now referring to the United States market—of the work that has been done by the Canadian Horticultural Council and its sister organization in the United States in meeting together each year and coming to some sort of arrangement. I think the work of both organizations is welcomed and recognized by the government when they make a mutual arrangement with regard to the shipment of apples to the United States and possibly some importations into this country. They try to work out their marketing arrangements on a mutual basis. I think the method of working out quotas so far as possible, especially into an area where the need is

found, and back again where the need is found, will be the development of the future, rather than dependence upon tariffs and tariff restriction.

Our growers believe that, if we are to meet the situation which will face us at the end of this crop year, the government should now commence to plan to implement its price support policy, and to give some evidence of the formula it intends to use in respect of certain crops. I am of opinion that we will get a satisfactory solution for this question only if we have co-operation between all governments and producer organizations. I believe all will agree that farmers are not unreasonable; the average farmer seeks to make only a reasonable living. He is not expecting more than his share of the total production of society.

But I do suggest that the time is ripe for the government to commence to study its floor-price program rather than to take action when the need appears urgent as a result of the necessity to dispose of our crop. In this connection I should like to read a resolution adopted by the British Columbia Fruit Growers Association which has to do with the Canadian subsidy for export fruits. This resolution arose because of the fact that Canadian apple producers, tree fruit producers, are meeting exceptional competition from American producers because those American producers are receiving the export subsidies. The result was that this resolution was passed in January by the British Columbia Fruit Growers Association:

> Whereas the offshore exports of fruit from the tree fruit area of British Columbia is of paramount importance to maintaining fair market conditions, and
>
> Whereas it has become increasingly difficult to enter the offshore export market, due to the devaluation of currency, and
>
> Whereas United States growers are able to enter these markets by means of a government subsidy on apples and pears shipped offshore,
>
> Therefore be it resolved by the 1950 B.C. F.G.A. convention that the dominion government be requested to give serious consideration to the giving of a subsidy on offshore shipments of Canadian tree fruits.

I bring that to the attention of the minister because our organization is of the opinion that it may be necessary as a temporary move to consider subsidies for some offshore shipments under these very uncertain world marketing conditions.

I should like to make brief reference to the poultry industry. I feel sorry for the poultry industry because it is not organized in the same way as the beef and dairying people are, and particularly as these grain growers in front of me are. Because of that they sometimes fail to make their voices heard with the government and with the trade as well as some other sections of agriculture do. Unfortunately they seem to be misunderstood by the consumers.

I urge that every consideration be given to the present position of the poultry industry and to the possibility of establishing satisfactory floor prices.

I think something should be done towards supplying feeds at reasonable prices. When I was home at Easter I had the opportunity to examine some feed wheat and feed barley and other grain which had been shipped in for poultry feeding purposes. I am of the opinion that the distribution of mill feeds for livestock and poultry is well worth the special attention of the Department of Agriculture. Some of the samples of wheat I examined were almost unfit for stock or poultry feed. I did not have the opportunity to get many samples, but I believe a high percentage of weeds and dust and so on would be found. I suggest that the minister have his department give particular consideration to this matter.

I am getting closer to home all the time and I have now landed in the Kootenays. I want to express the thanks of our people for the work of the officials of the department in connection with the little cherry disease. We think they are doing a good work and we realize the difficulties of the problem they are facing, but I have one criticism to make. Because of the interest of the cherry growers in the investigation it would be a good thing if the officials could keep the farm and fruit growers' organizations informed periodically of the progress being made in trying to find a solution to the little cherry disease problem.

I am not as pessimistic over this as some people are. When it first occurred many people threw up their hands and thought that was the end of the industry in the Kootenays. I think without question we produce the finest cherries in British Columbia. Personally I believe the disease is the result of soil unbalance caused by excessive irrigation, over-application of fertilizers and things of that sort. I am a great believer in barnyard manure and green crops in connection with the production of cherries. Our orchard practice of excessive irrigation and fertilization, especially nitrogenous fertilizers and leeching, has produced a soil unbalance that has affected the vitality of the tree.

I have knowledge of a tree which bore little cherries, that is cherries with less sugar content than normal, somewhat pointed in shape and lacking the normal colour, for two or three years, and then later on bore normal

fruit. I repeat that in my opinion this is the result of lack of vitality occasioned by soil unbalance.

Our organization, as well as those in the Okanagan, are greatly interested in the research being carried on by the department with respect to the use of cull apples and little cherries, and also the possibilities for making cider. I come from a farm family in England and we used to make excellent cider from Pippin apples. We make a considerable quantity of cider at home for our own consumption but we have never been able to make the same grade as we used to make in England. It may be because of the different apple varieties that are used, but I do urge that more research be carried on with respect to cider production.

I support the hon. member for Yale when he suggests that the Department of Agriculture should put out some counter-propaganda against that of the Department of National Health and Welfare which is so eulogistic about citrus fruit juices to the disparagement of the possible use of apple juice.

Before concluding I want to make a plea on behalf of our vegetable growers. There are a number of vegetable growers who supply the local markets in the interior of British Columbia. In the spring of last year they planted their celery, their leeks, their cabbages, their carrots, in fact their usual crops believing they had the protection of the import regulations. They had ample markets for their crops provided they had that protection. They are most indignant at the fact that the import regulations were suddenly raised after they had been induced to plant those crops because of the shortages that existed in the district.

I want to point out to the Minister of Agriculture, in the hope that he will use his influence with the Department of Finance, that there are root cellars full of cabbages, carrots, beets, turnips, leeks and other vegetables at a time when carloads of similar vegetables are being brought in from the United States. Here is a case where the Department of National Health and Welfare could do something for the Canadian vegetable producer.

The consumer in the city believes that he must have fresh carrots and cabbages and lettuce from California. As a matter of fact, if you take one of these small bunches of carrots that you get at the present time and cut off the tops you will find what you are actually getting. Our people would be far better off if they would go out and buy good Canadian carrots that are now in root cellars waiting for a purchaser. The Department of National Health and Welfare could well direct the attention of the Canadian consumer to the value of vegetables that are grown normally in order to counteract the drift of the consumer toward the use of quickly grown vegetables which all nutritionists say are not as nutritious as those grown in a normal way with the normal moisture and mineral content, vitamins and so on.

I do hope the minister will give some consideration to providing protection by some means for our vegetable growers. I am not suggesting a tariff, but I do suggest that the quota system is an excellent thing. So long as we have unsold vegetables in Canada let them be sold first. If our local supplies had been allowed to come on the market in the normal way they would have been exhausted earlier last winter. When they are exhausted then there should be an arrangement between vegetable growers' organizations here and in the United States to import sufficient to meet Canadian requirements. I think many of these things can be settled by mutual agreement and adjustment particularly if the growers concerned can meet face to face as they have in the horticultural industry.

In conclusion I suggest that the matters I have brought to the attention of the house can only be solved as a result of co-operation between federal and provincial governments, producers' organizations and farmers as individuals. In British Columbia we have an excellent producers' organization in the British Columbia federation of agriculture. In Tree Fruits Limited we have a marvellous marketing organization unequalled anywhere in the world, and I make that statement without fear of contradiction. It is efficiently operated. The organization is controlled by the rank and file, and it is democratic from its head to its toes. It is well run in every respect. I suggest that if the government is willing to bring together all these great forces of democracy, federal, provincial, local and individual, then in solving our agricultural problems we will also be doing something to solve the problems of democracy as a whole.

Mr. Gardiner: One or two questions have been asked which I think I should answer tonight because I and those who asked them may forget them before we come back to the agricultural estimates. The first speaker this afternoon made some suggestions as to travelling expenses and miscellaneous items. He said that some $190,000 odd in the agricultural estimates was for different items which he said were sundries, n.o.p. and contingencies. I think most of ours are not classified under any of those heads but rather are described by a different name from any

of the three which have been used. In every branch we have miscellaneous items. I presume that is the term to which my friend was referring. All I wish to say in reply this evening is that we will deal with each one of these miscellaneous items as we come to it, and will be in a position to give explanations as to the purpose for which the expenditures were made. Generally speaking the items are comparatively small or are ones that cannot be classified properly under any one of the other items in the branch, and they are all put in the miscellaneous item.

At the same time I might say that it is not a matter with which the officials of our department have a great deal to do. Those who have the responsibility of compiling the estimates put all items that they consider should be so classified under the different headings in the estimates, and those which they are not able to classify are put under miscellaneous. We have a complete explanation for every item in that category which we can give when we come to the different branches of the department, but at the moment I do not think I should go through all these items and select them. We will be prepared to make explanations as we go along.

As to travelling expenses, I note that the amount mentioned was $2,148,000. The item is fairly large but as the hon. member said at the time he mentioned it I doubt if there is any department where it is more necessary to have fairly high travelling expenses than the Department of Agriculture. Much of the work which is done has to be done in contact with farmers scattered widely over Canada, and if not directly with farmers then with organizations which are more or less localized across the country. For that reason considerable travelling expenses are involved. I should like to repeat what I said as to the other item, namely, that travelling expenses run through all the different branches of the department, and I think it will be much more beneficial to deal with them as we come to them under the different items. I think it will be better to explain them then rather than to attempt to give any general explanation at this time.

The last speaker referred to a report made by technical agriculturists throughout Canada. As everyone knows, technical agriculturists across Canada are largely officials of our department and the departments of the different provincial administrations from one end of Canada to the other. They also include professors of Canadian universities who are associated with the agricultural division of university work. These men and women are the ones who actually carry on the activities of the department. I have glanced rather hurriedly at the recommendation which they made. I have not had an opportunity to study it closely but I venture to say that their recommendation involves in large part pretty much what is being done in connection with agriculture in Canada.

I remember when I came to Ottawa fifteen years ago one of the first conferences I attended was a conference called for the purpose of discussing the overlapping of activities in different federal departments with relation to different provincial departments. It was generally admitted by all those who attended the conference, which was a general one covering all departments, that there was as little overlapping in departments of agriculture across Canada as would be found in any other department of government. In other words, there was very little of it found in any particular place. Wherever it appears to some people that there is overlapping it will usually be found on examination that a co-operative set-up has been established which makes it possible for our officials to do provincial work where it is better to have it done that way, and for provincial officials to do our work where it is better to have it done that way.

The system we follow in connection with grading inspection, for example, is to appoint provincial officials as our officials where we require to use them, and the provinces appoint our officials as provincial officials where they require to use them. There is every degree of co-operation that could possibly be brought about in that regard. We have joint plans throughout as to soil surveys, and work in co-operation with university staffs. We contribute toward that work, as do the provinces. We do a certain amount of the work here and a certain amount is done in the provinces but there is the most complete co-operation among those who are concerned with that particular kind of work.

The same thing is true as to research. While some of our research work is done by the national research council, by far the greater part of it is done in agricultural schools and colleges, and universities that have an agricultural campus in addition to the main university campus, as many of our universities now have. They are all working together in the matter of agricultural research from one end of Canada to the other. Having said that, I agree with the suggestion that there should be much more of it. If we could get the funds I believe a great deal more research work could be carried on in all parts of Canada with beneficial results. As a matter of fact we have representations

from certain sections of Canada that not as much research work is being done there as somewhere else, and we are constantly being urged to speed up our research work in certain areas.

The same thing might be said of reclamation work. From time to time we have discussed the possibility of bringing down legislation which would spread P.F.R.A., for example, over the whole of western Canada in order to take care of reclamation work. We have had suggestions that other legislation should be brought down covering eastern Canada which would be more or less an enlargement of the legislation we now have dealing with the reclamation of the marshlands in the extreme east. At one time we had hoped to bring down legislation this session covering both those activities, but I am sorry to have to say that because of the delays in connection with the discussion of financial matters as between the dominion and the provinces, in all probability we will delay bringing down that legislation until after the conference that is to be held.

Let me say at once that this does not mean there is likely to be very much delay in the work that can be planned within the next year. In connection with P.F.R.A., for example, we have a sufficient number of dugouts applied for in the area described as the Palliser triangle to take care of all the work we could do in probably two seasons if we applied ourselves entirely to work of that kind. So there is no need for delay in anything that requires to be done, because of the lack of legislation this year. Again, probably all the money we would be able to obtain for that sort of work during the coming season is already required in connection with the reclamation work being carried on in the marshlands of the maritime provinces and other assistance we give here and there along the St. Lawrence, the great lakes and elsewhere. Much of that work is being carried on under special votes, so I think perhaps we are doing fairly well in that direction.

One matter was touched upon by two speakers from British Columbia that rather stirs my sympathies. I remember going to British Columbia many years ago and attending one of those summer picnics they have at the Summerland farm. For the first time I had the opportunity to drink apple juice, apart from the hard cider we used to drink down in Ontario in the earlier days. I came back an advocate of the drinking of apple juice in this country. The war came on shortly after that and we had no market for our apples, so we put on a strong advertising campaign to promote the consumption of apple juice. My particular part was that no matter where I went, east or west, when I went into a restaurant or hotel I asked for apple juice. Now I can get apple juice everywhere, except in one line of restaurants in Canada. At first I thought it must be a line of American restaurants—

Mr. MacInnis: Why don't you serve it during the estimates?

Mr. Gardiner: I do serve it sometimes; but there is one line of restaurants well established in this city and in most cities across Canada where I cannot get it. I go there less and less often because I require apple juice three times a day; but when I ask for it the waitresses tell me they just cannot get their management to provide apple juice. One of these restaurants is only about two blocks from where we are meeting tonight; another is in one of the prominent hotels of this city. I go right on asking for apple juice, however; and I think if everyone who went there, particularly those from British Columbia, would do the same thing in all probability we would get that management to provide apple juice. After all, one way to get these things used in Canada is to ask for them. When I see persons who come from apple-growing areas walk into a restaurant, particularly for breakfast, and ask for orange juice I rather resent it when they get up in this house and suggest that we are not doing enough to help them.

Mr. Herridge: I do not ask for orange juice.

Mr. Gardiner: Then I take that back as far as my hon. friend is concerned. Many others do ask for orange juice constantly instead of asking for apple juice, but I can assure my hon. friend I never do. I ask for apple juice every morning for breakfast and I usually get it, because I do not go to that restaurant when I want breakfast. The other evening I was there after the theatre and asked for apple juice. They did not have any, so I said there were about two thousand people around here with whom I had some influence, and I was going to suggest to them one of these mornings that they begin to boycott that place until they serve apple juice. I do not think it does any harm to talk that way occasionally; perhaps if we all did it we could get those restaurants to serve apple juice. I agree with my hon. friend that it is a delightful drink, even were it not nourishing. With the weight I have been putting on recently, however, not knowing anything else to charge it up to I think it might even add to your weight, as was suggested by an hon. member a few moments ago.

Mr. Low: That is not apple juice.

Mr. Gardiner: That may not be apple juice; nevertheless it is a delightful drink and

I think we should use more of it in Canada. Then something was said about the apples we produce and the apples they consume in Great Britain. I agree with my hon. friend that there is no better sales organization in Canada than the British Columbia fruit people. Last year, in spite of the fact that there was a large apple crop in the United States, they sold their products in thirty-two of those states in competition with the United States apple producers. They also sold their apples right across this country, and in addition tried to sell them in Great Britain. It is all very well to say that other people did sell apples there. British Columbia provides a good market for British products, and British Columbia apples are as good as any produced anywhere in the world; but they could not sell them in Great Britain last year. Even when Great Britain took some of their apples as a gift they did not sell them but gave them away to school children. There is no use sitting here and arguing that a market exists when it does not exist at all. When British Columbia apples were sent over there, as everyone knows, they were distributed to school children in different cities in Britain. So I suggest that we be a little more realistic and understand that something has happened to the market in which we used to sell our apples, and a condition exists there which did not exist before.

Item stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Monday is private members' day.

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

HOUSE OF COMMONS

Monday, May 15, 1950

The house met at three o'clock.

HOUSE OF COMMONS

VISIT TO WINDSOR, ONT., BY MEMBERS OF PARLIAMENT

Mr. Arthur Laing (Vancouver South): On a question of privilege, Mr. Speaker, it is my wish to give voice to the appreciation of some fifty members of parliament and their wives who returned this morning from enjoying a magnificent trip to the great industrial city of Windsor, Ontario. This trip was arranged by the hon. member for Essex West (Mr. Brown), and while there we were the guests of the Windsor chamber of commerce. I think it is good for members of parliament, if they are to legislate on a national basis, to take every opportunity of seeing, as widely as they can, the opportunities, industries and advantages of this country.

I cannot speak too highly of the courtesies that were extended us while we were there. Windsor calls itself the gateway to Canada's industrial progress, and I think those of us who were there are inclined to agree with that statement. That great city was a fortress for us in time of war, and we hope it will be of a source of expanding amenities in time of peace.

I find it difficult indeed to single out for specific mention any particular persons in connection with the great reception given us at Windsor, but in addition to the hon. member for Essex West, I should like to mention the other members of this parliament resident in the general area. I should like to mention the officers of the Windsor chamber of commerce. I should like to mention Mr. R. M. Sale, president of the Ford Motor Company, all his officers, and the other 14,000 men who combine to make it a great industrial team. I should like to mention Mrs. W. F. Herman, widow of the founder of the Windsor *Daily Star*. Finally, Mr. Speaker, I should like to say a word for the Tigers and the Browns, who gave us two extra innings of superb baseball.

Mr. J. G. Diefenbaker (Lake Centre): Mr. Speaker, I do not rise to move any amendment, but rather to join the hon. member, and others who were privileged to be present on this referred to occasion, in expressing appreciation of the opportunity and privilege which was ours, and of the courtesy and hospitality extended to us by the city of Windsor, the chamber of commerce of that city, the Border Cities *Star*, and the corporations to which the hon. member made reference. It was one of the most enjoyable and educational trips it has even been my privilege to take.

I join with the hon. member also in thanking the hon. member for Essex West (Mr. Brown), who arranged the trip, and also the Minister of National Health and Welfare (Mr. Martin), who spared no effort to make the visit a most enjoyable one.

Mr. E. G. Hansell (Macleod): Mr. Speaker, it is a very happy privilege to voice the gratitude of those of us of the Social Credit party who were included in the group who journeyed to Windsor and enjoyed that most interesting tour. Indeed, we concur in all that has been said by the two previous speakers. The courtesies extended to this parliamentary body by the Ford Motor Company of Canada, the Windsor chamber of commerce—and we must not omit the reception of Mrs. Herman—all these courtesies we shall never forget.

We wish to extend our appreciation to the hon. member for Essex West (Mr. Brown) and the Minister of National Health and Welfare (Mr. Martin) for their untiring efforts to make the visit so happy and so successful.

There are two things about such tours which strike me as most valuable. They bring members from all parts of Canada into closer focus with the practical business world. They broaden our views. Then, such tours are of value from another standpoint which, I think, is not too insignificant to mention here. They bring members of parliament closer together in a social friendship which is not always experienced as we sit in the House of Commons or roam the halls of this building. That, to me, in a democracy, is of inestimable value.

May I repeat, on behalf of all those associated with me in this part of the chamber, to all those who were responsible for and so thoughtful in arranging this tour: thanks a million!

Mr. E. A. McCusker (Regina City): Mr. Speaker, I should not like it to be thought that members of the House of Commons were such narrow-minded guests that they would be afraid to mention that while in Windsor

they visited the Hiram Walker distilleries. May I say that we had an opportunity of seeing how their product was made, and that we met in the canteen for tea and enjoyed their hospitality. May I offer them our thanks.

Mr. G. A. Cruickshank (Fraser Valley): Mr. Speaker, I do not wish to be left out of this. May I assure the house that the most enjoyable part of our reception in Windsor was when we were honoured as guests at the wedding reception of the most beautiful girl in the city of Detroit.

Mr. D. F. Brown (Essex West): Mr. Speaker, I rise on a question of privilege. Before proceeding, however, with the point of privilege I propose to raise, may I be permitted to express on behalf of the city of Windsor and the county of Essex our appreciation of the honour conferred upon us by the visit of over fifty members of parliament and their wives.

I know I express the hope of the Ford Motor Company of Canada that other industries across the Dominion of Canada will make it possible, in as efficient a manner as it was done by the Ford Company over the past week end, for members of parliament to see the country and the people for whom we are legislating.

My point of privilege is that in the Ottawa *Citizen* of May 12, 1950, and repeated in the London *Free Press* of May 13, 1950—and I understand it also appeared in the Toronto *Globe and Mail* on or about the same date—in making reference to the largest single exodus of members of parliament in memory on a trip to the sun parlour of Canada, it was stated that I was host to a group of automotive officials two weeks ago when they came to Ottawa to seek imposition of dumping duties on British cars.

Mr. Speaker, I was not host to any such delegation. I had no knowledge of any such delegation, and if any such delegation existed they did not communicate with me. This visit of last week end was conceived by the Windsor chamber of commerce and myself considerably over a year ago.

Further, the question I put on the order paper, and to which reference was made by the *Citizen*, was not at the request of the automotive industry, or any other industry or individual. It was placed thereon without the knowledge or consent of that industry. I am interested in providing markets for our products and work for the people of Canada.

The London *Free Press* stated that the trip was an "expense paid affair". This statement is not correct. The members of parliament were, I believe, pleased to travel at their own expense to our city and to enjoy our hospitality almost as much as we enjoyed having them.

FLOOD CONDITIONS

SOUTHERN MANITOBA—VISIT OF HIS EXCELLENCY THE GOVERNOR GENERAL—MESSAGES FROM LORD BESSBOROUGH AND OTHERS

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I am sure all hon. members would like me to express the appreciation we feel of the keen and constructive interest shown by His Excellency the Governor General during his visit to Winnipeg yesterday, in the truly magnificent effort being put forth both by the armed forces and the citizens themselves to combat the ravages of the Red river flood.

This morning I received a cable from a former governor general, the Earl of Bessborough. I should like to read into our records the text of Lord Bessborough's message and of my reply, and in that way convey the message from Lord and Lady Bessborough to the people of Winnipeg and Manitoba. The cable is from Rowlands Castle, Hants, England, under date of May 13, addressed to me at Ottawa, and it reads:

> Much distressed at flood disaster in Manitoba. Through you would like to express our profound sympathy for the people of Winnipeg and province in this great misfortune.
>
> Bessborough

To this I replied:

> People of Winnipeg and Manitoba will, I know, appreciate expression of distress and sympathy from yourself and Lady Bessborough, which I propose to mention in parliament today.

Then, just before coming to the house today a message was received from the Prime Minister of Italy, of which this is a translation:

> Through my intermediary the government and people of Italy wish to express their sincere sympathy to the government and Canadian people, to which we are tied by bonds of friendship, on the occasion of the disaster caused by the Winnipeg flood.

I shall make answer similar to my answer to Lord Bessborough. I think these communications are a sign of the growing community of feeling that is spreading among the free peoples of the world, and one of the encouraging things which have followed upon this terrible disaster to our fellow citizens in Winnipeg and the adjoining area.

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, the Minister of National Defence (Mr. Claxton) and I spent the week end in Winnipeg conferring with provincial, civic and Red Cross authorities, and with military forces, with regard to the Manitoba flood. I thought that hon. members might like to

have a brief statement from me as to the present conditions that exist, and also as to the flood fighting activities that are being carried on.

South of Winnipeg is a lake, in some places over twenty miles wide, and averaging twelve miles wide, extending to Emerson near the international border and for very many miles beyond that point. The Wildwood area in Fort Garry, the Kingston Crescent area, and nearly the whole of the remainder of St. Vital and the large Riverview area, are almost completely evacuated. Much of East Kildonan is largely evacuated. Most of the hospitals have been completely evacuated, and the Deer Lodge and general hospitals partly so. The city of St. Boniface is threatened on two sides, from the Red and from the Seine river, and is being protected by dikes which are in constant course of repair and which in some places are as high as twenty feet. Because of the danger which that height of dike creates, a considerable measure of evacuation of women and children from that city has been recommended and carried out.

I am glad to report that the power situation is considerably better. The power stations and gas plant have been well diked; and there is at the present time considerable optimism with regard to the ability to maintain power and light and gas services unless the river should rise substantially beyond its present level. Even should the Rover street and the Mill street substations go out, they serve only certain areas in the city and there are other substations on higher ground which could continue to serve not only their own areas by connecting power lines but other areas as well whose own substation might be put out of action.

There is no trouble expected in connection with railway access to the city.

The equipment supply has reached a peak point except with regard to pumps.

I think it will be of some relief to those who are anxious to know to be told that a well worked-out and integrated plan for complete evacuation has been prepared. The personnel of the various committees which would be required to implement this plan is already established. Zone commanders have been appointed for each evacuation zone, who would take charge immediately if the necessity arose. Emergency caches of food on both sides of the two rivers have been established to take care of the situation in the event of food warehouses being flooded. Stores of such essential materials as gasoline and motor oil sufficient to last for a considerable time in the future have been established on railway sidings in high and dry places. Emergency loading platforms have been established at high places for use in the event of mass evacuation, and lights have been prepared so that the evacuation may continue twenty-four hours a day if necessary.

As an indication of the thoroughness with which arrangements have been made, it is interesting to note that arrangements have been made that bread, which is a perishable product, can be brought in on a day's notice from cities outside of Winnipeg. In order to bridge that one day gap, a one day's supply of bread has been baked and frozen and is being held in cold storage. Not even that one day gap will be uncared for.

All of this is the product of what I as a Manitoban can say without immodesty is a most amazing piece of co-ordination between the military and civil authorities. The military authorities are acting under provincial instructions and are co-operating to the greatest possible degree with the provincial authorities, the municipal authorities, the Red Cross and the various volunteer civilian flood relief committees which have been set up.

One of the most inspiring spectacles we saw there was the Red Cross headquarters in Winnipeg, where they have three shifts of workers of between 400 and 500 each, who were operating flood lighting auxiliary services, when less than two weeks ago this service did not exist. Within that time workers in these three shifts have been brought together and placed in different branches to discharge different functions; chiefs and assistants and other ratings have been established in each branch, with the whole of this activity brought under central over-all control. All of this has been established within this short period of time; and in these three shifts there are only ten paid workers in all.

Citizens and workers of every kind, businessmen, stenographers, teletype operators, chartered accountants, lawyers, doctors in the Red Cross medical units—all these citizens are taking part in this community effort and are giving almost the entire amount of their time and effort over long hours each day to fighting this flood.

Upon the dikes themselves the work is being maintained and has been maintained from the beginning by literally thousands of volunteer workers. The figure has been given as 60,000, and while I would not want to say that it is that high, it is certainly well over 50,000. Men and women, boys and girls —some as young as twelve who work in carrying up coffee and food to the dikes—are making their contribution. I think this can best be explained in the terms of a statement made to me by a widow in East Kildonan. She told me that she was greatly relieved to be evacuated from that place because her

young twelve year old son had been working daily from morning until late at night taking coffee and sandwiches to the workers, and he felt he had not done enough if he did not continue to carry on that effort. She could not keep him away from the dike which, as hon. members know, burst a few days ago. Luckily through good management there was no loss of life, but nearly all the pumping equipment behind the dike was lost.

All the people of Winnipeg, from the humblest schoolgirl and schoolboy to the most eminent city father, are in this fight during long days and long nights. There are numerous citizens who over a period of weeks have not averaged more than four or five hours of sleep per night. About midnight on Saturday I stood and watched as a matter of curiosity the type of traffic that was going by. There was hardly any motor traffic except trucks and cars which were loaded to capacity with dike workers, either going to or coming from their work.

I think it is proper, and I am sure that the citizens of Winnipeg and Manitoba generally would wish me to do so, to pay tribute to the fine job which the Red Cross and the armed services have been performing. Right from May 6, the day on which Premier Campbell as head of the provincial authorities instructed Brigadier General Morton to take over, he and his staff have been performing a simply magnificent feat of organization and direction. Every afternoon at 4.30 Brigadier General Morton holds a briefing session, and I was privileged to attend one of them. Each of the flood fighting heads reports briefly, succinctly, comprehensively and clearly what has happened in his area since the day before. Through the Minister of National Defence (Mr. Claxton) I should like to convey to the army the deep appreciation of the citizens of Winnipeg of the work which the Department of National Defence has done.

Hon. Brooke Claxton (Minister of National Defence): Mr. Speaker, as the Minister of Justice (Mr. Garson) has said, I also visited Winnipeg over the week end. With me was Lieutenant General Foulkes, chief of the army general staff. Vice Admiral Grant, chief of naval services was there earlier in the week, and Air Marshal Curtis, chief of the air staff, was also in Winnipeg yesterday. Our purpose in making the visit at this time was to see what, if anything, the armed services could do in addition to what they are already doing to help to relieve the situation. I deeply appreciate the remarks of the Minister of Justice, and also those of the premier of Manitoba, concerning the work of the armed forces. I shall be very glad indeed to communicate them to the services concerned.

At the present time there are actually engaged in this work in Winnipeg over 4,000 officers and men of the navy, army and air force, active and reserve. From the point of view of service participation it is a much larger operation than took place at the time of the Fraser valley floods of 1948. The services involved include some 700 of the navy, many of whom have been flown to Winnipeg from points as far distant as Esquimalt and Halifax; then there are over 2,000 army personnel, and 600 of the Royal Canadian Air Force, in addition to members of the air force engaged on the airlift. The airlift is probably the largest that has ever been carried out in Canada, with a total load already of over a million pounds, and thousands of personnel. Over thirty North Star and Dakota aircraft have been continuously engaged, with an amazing record of performance.

At the present time the aircraft are engaged in removing bed cases from the city hospitals consequent upon evacuation. By Wednesday it is expected that all Winnipeg hospitals will be evacuated, with the exception of Deer Lodge and the general hospital. These aircraft have also been carrying in large quantities of equipment of all kinds, particularly sandbags. The rate of consumption of sandbags at the present time is 300,000 a day. We have a sufficient supply available to feel that the situation is well in hand.

I should like to express to the citizens of Winnipeg the sympathy that I am sure everyone must feel for what they have gone through, and also the tremendous admiration that anyone would have who saw what we saw of the magnificent work of the civilians of Winnipeg and the adjacent communities. After all, the service personnel are doing their duty, which they are trained to do, and doing it very well indeed; but civilians are working long hours voluntarily because it is their community and their fight for their city. Leading that fight are the authorities of the provincial government, the municipalities—and there are more than ten involved—the Canadian Red Cross and dozens of agencies of various kinds, all forming a splendid working team.

I should like to conclude by reading a message I sent to Brigadier General Morton this morning on my return:

As I told the meeting of the Winnipeg flood control committee yesterday, the work being done under your direction by all personnel of the navy,

army and air force, active and reserve, working with the closest possible co-operation with civilian authorities, is a credit to the services and to our country. Our visit brought home to us the tremendous efforts that had been made and still are needed to cope with the disaster. What was most striking was the warm and friendly relationship between service and civilians at every working level. Winnipeg stands today because you stood together. Will you be good enough to convey to all ranks my appreciation and thanks for the job they are doing, and accept my hearty congratulations on your fine personal leadership. Obviously there is a long, hard fight ahead but the way you are working is the best guarantee that you will win through.

PRIVATE BILLS

REPORT OF EXAMINER OF PETITIONS—PROCEDURE IN PRESENTATION TO THE HOUSE

Mr. Speaker: I have the honour to inform the house that the Clerk has laid on the table the twenty-second report of the examiner of petitions for private bills.

[*Later:*]

Mr. Speaker: It has been customary, when I have informed the house that the Clerk has laid on the table a report of the examiner of petitions for private bills, for the Clerk Assistant to begin to read it to the house. He reads a few words, some hon. members say "dispense", and he does not proceed. Today, before the Clerk Assistant had an opportunity to rise, an hon. member rose on another matter. In future may I take it that, unless a member asks that such reports be read, it is the unanimous wish of the house that the Clerk Assistant should not read them?

Some hon. Members: Agreed.

WHEAT

INQUIRY AS TO NEGOTIATION OF NEW CONTRACT WITH UNITED KINGDOM

On the orders of the day:

Mr. A. Earl Catherwood (Haldimand): In view of recent press reports that a renewed Anglo-Canadian wheat contract is being considered, and also in view of the fact that the farmers across Canada are vitally interested in such a contract, would the Minister of Trade and Commerce inform the house whether negotiations are under way, and if so, what are the possibilities of such an agreement being concluded?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I could give a very short answer—that no agreement is contemplated that will prejudicially affect the wheat growers of the province of Newfoundland.

An hon. Member: He is from Ontario.

Mr. Howe: Oh? Well, I believe the same thing might apply to Ontario. Trade discussions will take place covering a number of subjects, including wheat, but there has been no suggestion of an agreement concerning wheat other than the international agreement to which Canada is a party. I can assure my hon. friend that no agreement will be signed without full consultation with my colleagues in the government.

PUBLIC BUILDINGS

CHARLOTTETOWN—QUESTION AS TO PROGRESS OF NEGOTIATIONS

On the orders of the day:

Mr. W. Chester S. McLure (Queens): Will the Minister of Public Works make a further statement as to the progress being made in the matter of the construction of the dominion building at Charlottetown?

Hon. Alphonse Fournier (Minister of Public Works): The only statement I can make is that we are trying to acquire the site. If I remember correctly, there are thirty-two different properties involved, and the officials of the department are negotiating with the owners. The moment the site becomes the property of the government we shall proceed with all haste to put up the building.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 205, to incorporate United Security Insurance Company.—Mr. Dickey.

Bill No. 206, to incorporate the Apostolic Trustees of the Friars Minor or Franciscans. —Mr. Cote (Verdun-La Salle).

Bill No. 207, to incorporate The Canadian Commerce Insurance Company.—Mr. Robinson.

Bill No. 208, to incorporate Saskatchewan Mutual Insurance Company—Mr. McCusker.

SECOND READINGS—SENATE BILLS

Mr. R. E. Anderson (for Mr. Winkler) moved that the following bills be read the second time:

Bill No. 182, for the relief of Jack Elmhirst Webster.—Mr. Winkler.

Bill No. 183, for the relief of Annie Kwiat Maislin.—Mr. Winkler.

Bill No. 184, for the relief of Douglas Charles Blair.—Mr. Winkler.

Bill No. 185, for the relief of Therese Simonne St. Onge Laurier.—Mr. Winkler.

Bill No. 186, for the relief of Carmen Emily Adelle McCoy Jackson.—Mr. Winkler.

Bill No. 187, for the relief of Helen Alma Lambert Anderson.—Mr. Winkler.

Private Bills

Bill No. 188, for the relief of Bertha Marks Cohen.—Mr. Winkler.

Bill No. 189, for the relief of Stella Margaret Rollo McKee.—Mr. Winkler.

Bill No. 190, for the relief of Helena Matyla Martyniak.—Mr. Winkler.

Bill No. 191, for the relief of Marie Rosanna Emelda (Imelda) Lecomte Bolduc.—Mr. Winkler.

Bill No. 192, for the relief of Rose Slosarczyk Bydlinski.—Mr. Winkler.

Bill No. 193, for the relief of Helen Meadows MacNaughton.—Mr. Winkler.

Bill No. 194, for the relief of Walter Kerr Dow.—Mr. Winkler.

Bill No. 195, for the relief of Thora Yvonne Easy Weaver.—Mr. Winkler.

Bill No. 196, for the relief of Robert Cohen. —Mr. Winkler.

Bill No. 197, for the relief of Ruby Gladys Burns Thornhill.—Mr. Winkler.

Bill No. 198, for the relief of Joseph Francois Xavier Beland.—Mr. Winkler.

Bill No. 199, for the relief of Joseph Neist. —Mr. Winkler.

Bill No. 200, for the relief of Harry Goldbloom.—Mr. Winkler.

Bill No. 201, for the relief of Winnifred Julia Lester Stockless.—Mr. Winkler.

Bill No. 202, for the relief of George Eustorgio Lanzon.—Mr. Winkler.

Bill No. 203, for the relief of Laurette Amyot McGroarty.—Mr. Winkler.

Bill No. 204, for the relief of Hilda Marie Adeline Bouvier Cardy.—Mr. Winkler.

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

Some hon. Members: On division.

Mr. Speaker: On division.

Motion agreed to on division and bills read the second time.

Mr. Speaker: These bills are referred to the standing committee on miscellaneous private bills.

ALBERTA NATURAL GAS COMPANY

The house resumed, from Tuesday, May 9, consideration in committee of Bill No. 7, to incorporate Alberta Natural Gas Company —Mr. Maybank—Mr. Dion in the chair.

On section 1—*Incorporation.*

Mr. Fulton: Mr. Chairman, in the discussion on this and the other private bill to incorporate a gas pipe line, the question at issue between those holding different views has remained unchanged. That question is whether or not the time has now come, and whether or not the opportunity should be taken in connection with these bills, to insist upon writing into this legislation, or into the legislation out of which these bills have arisen, the provision that in the construction of any such pipe lines Canada shall be served first. Those who believe that that should be done say that Canada's interests can be protected only by writing that principle into these bills. Those who take the other point of view say it is not necessary to write into the bills themselves any provision that these pipe lines shall serve this country before being built into the United States.

It is perhaps unfortunate, but certainly it is a fact, that we have been unable to reconcile those points of view. Therefore it is not my intention to dwell at any length upon the merits of one point of view or the other, because I take it that if after several weeks, to put it mildly, we have been unable to reconcile those differences of opinion, anything I may say can hardly hope to bring about that result. I do think it important, however, to emphasize that a very significant development has taken place in the course of the discussion. The Prime Minister has now considered it appropriate, as he did on May 5, to indicate that he personally is in favour of the all-Canadian route for these pipe lines, though he qualified his remarks to the extent of saying "if it should be found feasible to follow that route." In addition, two other hon. members who previously had either actively opposed those of us who felt that provision for the all-Canadian route should be written into the bills, or had deliberately avoided making any statement in that connection, have now clearly indicated where they stand. I refer to the hon. member for Coast-Capilano and the hon. member for Comox-Alberni.

As a member from British Columbia, a province which is most vitally concerned with these bills—though I submit I am no more concerned than any other member of this house is or should be about the principle of Canada first—I could certainly wish that other members from my province had seen the matter as these two hon. members have seen it, and had come out in favour of the all-Canadian route, taking the position that has been taken by these two hon. members, that they will support in this house the proposition to write such a provision into these bills. There are members from the province of British Columbia who hold different views. I do not think they should be criticized. It is not the right of anyone here to criticize other members because they hold certain views. We may regret that their views are different from our own; sometimes we may become somewhat heated in our efforts to persuade them to change their views. I can assure you, Mr. Chairman, that in any effort

of that sort I have made in connection with this bill or any other measure, any heat that has entered into the matter is merely a measure of my own desire to persuade those members to change their views, and is no indication that I feel they are not entitled to have views which differ from my own.

Having said that I still most earnestly ask other members from our province to reconsider their position, in the light of the fact that the Prime Minister said on May 5 that he personally favours an all-Canadian route for this pipe line, if it is feasible to build it. That is an important statement, and I suggest to those other members from British Columbia who have not yet taken a stand in favour, some of whom in fact have taken a stand against the principle which we are trying to write into this bill, that if they revise their opinion there is a good chance that we can succeed in having inserted in the bill a provision that the pipe line from Alberta to the Pacific coast shall be built first through British Columbia to Vancouver before it leaves Canada. If the other members from British Columbia would take a strong stand in favour of having that provision written into the act, enormous benefits would accrue not only to British Columbia but to the country as a whole, because it would be a victory for the principle of Canada first.

An important new aspect of this matter and of discussion of this bill is a statement made by the Minister of Trade and Commerce during the course of his visit to the west coast. I am not referring to the perhaps involuntary statement which he made when he referred reporters and others to an unusual source of information. I am referring to a much more deliberate statement reported in the Vancouver *Sun* for Wednesday, May 10, and which appears in an article bearing this headline, "Oil pipe line may follow gas to B.C." I wonder if I might be permitted to say, Mr. Chairman, that the headline of the article appears immediately below a newspaper photograph of the minister, who strangely enough, appears to be smoking. I do not know whether it was as a result of his familiarity with that hot place to which he referred the newspaper reporters, or whether it was a matter of fulfilling his own pleasure. In any event there is the photograph, and underneath it, as I say, the headline "Oil pipe line may follow gas to B.C." The detail of the article reads in part as follows:

An oil pipe line may follow the construction of the contentious natural gas line from Alberta to the Pacific coast.

Then a subsequent paragraph states:

In an interview in his suite in the Hotel Vancouver today,—

This paper is under date of Wednesday, May 10.

—Canada's trade minister, Hon. C. D. Howe, said there is talk in the east now of building on oil pipe line from Alberta fields to the coast.

"In fact, I have heard two or three oil companies say they are interested in this project," he added.

Like the route of a natural gas pipe line, location of a pipe carrying oil would have to be decided by the board of transport commissioners, and Mr. Howe didn't know where it would go.

Now, that is the main portion of the article referring to the statement that an oil pipe line will probably follow the construction of the gas pipe line. Immediately it comes to one's mind that we in this house have been asking repeatedly and at length for the fullest possible information in the possession of the government as to all the aspects involved in the construction of this gas pipe line. This, Mr. Chairman, is the first intimation we have had that there is any definite intention to construct an oil pipe line along the route of the gas pipe line.

Mr. Howe: Mr. Chairman, did I say anything about a proposal to construct an oil pipe line along the route of the gas pipe line? I certainly said just the opposite. I said the two projects would not be related.

Mr. Fulton: I do not wish to misquote the minister. I intended to say a moment ago that this is the first intimation we have had that the construction of an oil pipe line, following the construction of the gas pipe line, is being seriously considered; that is what I intended to say, and that is what I believe I said. In any event I do not find anywhere in the article any statement from the minister that the two routes will be entirely separate. I did not intend to impute to him any statement as to the route. What I am saying is that he has informed us an oil pipe line will be constructed, following closely upon the time of the construction of a gas pipe line. If it is so, then—at any rate it was assumed by myself and by others who have taken part in this debate, and I can see no reason for assuming the opposite—that the route of the oil pipe line will follow the route of the gas pipe line, it becomes more important than ever for us to insist that the gas pipe line be built in Canada, so that the route of any pipe line serving the Pacific coast will be built through British Columbia to Vancouver first, before that line enters the United States.

In my opinion the proper place for that information to have been given as to the construction of an oil pipe line, information which appears to be peculiarly in the possession of the Minister of Trade and Commerce,

was in this house, and as soon as it came to the attention of the minister, so that it might be before the members of the house during the discussion of this most important matter.

The statement as to the possible construction of an oil pipe line and the possibility of having oil refineries in Canada, which gives a new implication to this whole question, should, if nothing else does, cause us to insist that this pipe line be located in Canada. More particularly, we should refuse to pass any bill for the incorporation of companies to construct pipe lines until either the sponsors or the government have given assurance that the lines will be built over an all-Canadian route.

While I was home recently, Mr. Chairman —and I mention this because the minister has recently been in British Columbia, and I am sure he could not fail to be impressed by the attitude of the people there toward these pipe lines—I found that the people in both the coastal and the interior area of British Columbia were solid in their support of the principle of an all-Canadian route for this pipe line. They were unanimous, too, in their belief that such assurance should be obtained before we allow these bills to pass. Time and time again people said they could not understand why the government seems to favour the line going through the United States; why does the government not say out and out: We will insist in this line being built through Canada? I must confess that I cannot understand it either.

That being so, I was able to offer them no explanation of the matter except possibly this, that so far as the government is concerned it is being looked at from cold, and I submit, unrealistic so-called business points of view: How can we get the quickest return, the most dollars, for the least expenditure; if that involves sending the pipe line down through the United States, let us send it down through the United States. National policy, they say; what is that to us? Don't talk about national policy to us; we are businessmen. We want to get these natural resources down to the United States and get paid for them in the quickest possible way. This attitude on the part of the government I submit is directly contrary to the best tradition of national development, of national policy, on which this country is being built. That is the only explanation that I could offer to the people at home as to why the government seems to favour building this line straight down into the United States, instead of through Canada first.

While I was there I told my constituents that the Minister of Trade and Commerce would shortly be out in Vancouver to receive, among other things, an honorary degree from the university, and that I felt they should let him know their views. I received word Saturday and today that no fewer than 115 separate telegrams had been sent to the minister from the Kamloops and north Thompson area while he was in Vancouver. I hope the minister got them. If he did, I am sure that those telegrams, as well as the other communications he received on the subject from British Columbia and here, have left him in no doubt about the way our people feel in this matter.

Particularly since an oil pipe line is now no longer a possibility but a probability, it becomes, as I say, doubly important to get the assurance that the route will be an all-Canadian route. Therefore I want to return to what I said at the outset. I do hope that other hon. members from British Columbia will reconsider their stand. I hope that the member for Vancouver South, the member for Vancouver Centre, the member for Cariboo, and the member for Skeena—

Mr. Murray (Cariboo): On that score, may I say—

Mr. Fulton: —and all other hon. members from British Columbia on the government side will reconsider their attitude and see the importance of insisting that such a provision be written into this legislation. I refer particularly to the hon. member for Cariboo, because his riding is the one riding, if any riding in British Columbia stands to be benefited, which will stand to benefit most from the—

Mr. Murray (Cariboo): We are not supporting the Yellowhead route as the hon. member is.

Mr. Fulton: —will stand to benefit most from the construction of an oil pipe line through British Columbia and Canada first. All the indications at the moment are that the main oil resources in Alberta are in the northern half of the province, in the Edmonton vicinity and north of there; and the main oil resources in British Columbia, on which exploration is now proceeding, are in the Peace river district in the northern half of the province in the hon. gentleman's constituency.

Since, as I say, it is virtually certain that the route of the oil pipe line will follow that of the gas pipe line, I submit it will be a tragedy both to the hon. gentleman's riding of Cariboo and to the province as a whole if this gas pipe line, which is now under consideration, is built down through Alberta just across the southeast corner of the province of British Columbia and then straight into the United States. It would be—

Mr. Murray (Cariboo): It will likely be built through Cariboo.

Mr. Fulton: It would be a detriment to the future development of our province as a whole. As I say, while the hon. member is entitled to his own opinion and his own attitude, I do hope that these factors will cause him to reconsider his attitude and to join us in the fight for an all-Canadian route for this pipe line, for a route through British Columbia first to Vancouver before the line leaves Canadian soil and goes into the United States.

On the question where we should get the assurance that an all-Canadian route will be followed, there are two considerations which have emerged from the past discussion. Perhaps I might repeat briefly the general position which is taken—that is, when we are considering the request for the assurance which we have not yet received, namely, that this line will be built through Canada first.

The company whose bill is now before the committee, the Alberta Natural Gas Company, has not said it will build it on an all-Canadian route, and apparently will not commit itself to building it on an all-Canadian route. You will recall, Mr. Chairman, how we were asked in the earlier debate on second reading in this house to let the bill go to committee. We were told that that was the proper place to get the assurance. We were told: Let it go to the committee on railways, canals and telegraph lines; there you will be given an opportunity to call all the experts before you, to call the officials of the company and to get the assurance, if assurance there will be, that the route will be built through Canada. What happened? It went to the committee. After three meetings, in fact during the course of the third meeting of that committee, a motion was made that no further evidence be heard; that at a subsequent meeting, the meeting immediately following that one, no further evidence be taken, and particularly no further evidence be taken as to the route of the line, but that the committee proceed to a clause by clause consideration of the bill.

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

Mr. Fulton: Yes.

Mr. Cruickshank: In that committee did we not hear what a great man Mr. Dixon was, the promoter?

Mr. Fulton: Unfortunately I was not a member of that committee. I have read the proceedings.

Mr. Cruickshank: All we heard for two days was what a great man Mr. Dixon was.

Mr. Fulton: I have read the evidence fairly closely, and it may well have been that the committee was told what a great man Mr. Dixon was, although I submit—

Mr. Cruickshank: Forty minutes of the debate was taken up here in telling what a great man he was.

Mr. Fulton: —I submit that not much concrete evidence on that particular point was submitted. Be that as it may, the committee was denied the very opportunity which the sponsor of the bill said it should have, of getting evidence on the question of the route. The motion to which I have referred, denying the committee the right to that evidence, was moved by the sponsor of the bill, who, as I read the minutes and proceedings of the committee, adopted an attitude which was completely contemptuous of the whole committee and of the question whether or not the route was a matter with which the committee should concern itself. This being so, there having been no assurance given to the committee, and the committee having been denied by the motion of the sponsor of the bill the opportunity to obtain information—there was a vote taken on the resolution which was supported unanimously by the Liberal members of the committee—we are left again in the position that the only place in which that assurance can be obtained is in this house, either, as I have said, in committee of the whole, or subsequently on third reading of the bill. And it does to my mind, at any rate, cast great doubt upon the sincerity of those who say that they too are in favour of the principle of Canada first in connection with this bill, but who so far have refrained, in their votes and in their speeches on the bill, from taking any position which would further the cause of Canada first.

I must say, Mr. Chairman, that to my mind, in view of the completely equivocal position which has now been taken on this bill, there is only one way in which any hon. member can now show whether he is in favour of Canada first or not, and that is by standing up and being counted when the vote is taken on the principle of Canada first. I think it will be found that that opportunity will be given to all members of the House of Commons. I do say again that I hope particularly those members from British Columbia on the government side of the house will bear in mind these facts in subsequent discussion.

The second feature in connection with the question of the assurance as to where the pipe line will go lies in the fact that the Prime Minister said the other day, and it has been stated frequently in the house, that the board of transport commissioners is the body to

decide where the pipe line shall go, and that he as Prime Minister, and the government itself, cannot and should not give any assurance or indicate any policy with respect to the location of the route.

In that connection I need only remind the committee of the magnificent speech made on Friday night by the leader of the opposition when he dealt with this question, and showed conclusively that the government does decide the route of the pipe line. He showed, by a review of the procedure in connection with the application of Interprovincial Pipe Line Company, an exactly parallel case, that before the board of transport commissioners would make their decision as to the route they required and had an assurance from an official of the Department of Trade and Commerce that that department had considered it and that the Minister of Trade and Commerce had indicated that he would give his licence for the export of oil over that particular route.

So that, as I say, in that magnificent exposition of the principle which applies in this whole question, the leader of the opposition has proven conclusively that in effect the government does have the final say as to where the route of a pipe line shall go. The leader of the opposition went on further to sum up in a manner which places on record squarely the principles this party is following, the principles of Canada first, the necessity of preserving Canada's resources for the development of Canadian industry and the development of the Canadian economy, and the necessity of following conscious policies in this and in every other connection to build up the Canadian economy on the basis of the resources we have.

There was certainly no suggestion that we should deny the export of our surplus; but it was a statement, clear and unequivocal, of the principle which we say should be followed, that before we export our raw materials in toto we must take the steps necessary to build up Canadian industry and the Canadian economy, and to preserve those resources for the ultimate, foreseeable requirements of the Canadian people.

The Prime Minister went on to say that the board could decide on the route of this pipe line, that the board was the only body which could decide on the route, and that in fact the board could refuse to grant its permission or approval if the national interest were not preserved and if the line were going to be built through the United States. I shall read that passage of the Prime Minister's speech, because it is important not only because of the principle he laid down but as indicating that he personally is in favour of the all-Canadian route.

This is what the Prime Minister said as reported at page 2229 of *Hansard:*

> It has aroused public opinion—

And he was referring to the debate which had taken place in connection with these bills:

> —as to the desirability of doing that if it is possible.

That is, building through Canada first.

> I would expect that that would not be lost from the point of view of the members of the board of transport commissioners and that they would not lightly disregard the unanimous desire of Canadians that their own territory be used to the greatest possible advantage. I would expect that when they got an application and before they approved anything, they would want to be shown that there is or there is not a practicable way of doing it without going out of Canada.

And then at page 2230:

> I suggest that unless and until we come to the conclusion that the board of transport commissioners cannot be entrusted with that kind of responsibility, because we do not feel that they are either competent enough to do it properly or sufficiently imbued with the spirit of the Canadian people to want to do it properly, the thing for us to do is to amend the Pipe Lines Act in a manner that will apply to every company that secures a charter for a pipe line and not in a manner that will discriminate in favour of one against another.

I can say with the utmost sincerity that I certainly will not question the Prime Minister's opinion as a lawyer. But I would ask him and other members of the government to consider another suggestion which I shall put forward. I have given a great deal of thought to the matter, I believe my suggestion has merit, and I would ask the government to consider it from that point of view.

The Prime Minister said that the board of transport commissioners is the only body which can decide the route, and he implied —he almost said it directly, but certainly implied and I believe meant to imply—that the board of transport commissioners could and probably should reject any application for a route, if that route did not go through Canada for a maximum total length possible before going to the United States.

I believe a reading of the Pipe Lines Act will suggest that for the board of transport commissioners to reject an application for the approval of a route solely on the ground that that route crosses the border and goes into the United States before it needs to would be an improper exercise of the authority of the board, and in fact the board in so acting would be exceeding its power, and

such action would be ultra vires of the powers of the board as laid down in the Pipe Lines Act.

A reading of the provisions of that act will disclose that a consideration of the question as to whether a pipe line crosses into the United States or not is not made a factor the board must consider when either approving or rejecting an application. The Prime Minister read the section which sets out the matters the board shall have before them when considering an application. That is not one of the matters they are empowered to consider.

However, in section 9 of the Pipe Lines Act it is clearly contemplated that a pipe line route may in fact cross the border and go into the United States. That section reads in part as follows:

> A company operating a company pipe line from a place in Canada to a place on the international boundary line may exercise, beyond such boundary, in so far as permitted by the laws there in force, the powers that it may exercise in Canada.

So that by this section it is shown that the Pipe Lines Act clearly contemplates the possibility of, and thus empowers the board of transport commissioners to authorize, the construction of a pipe line from Canada into the United States. If the main Pipe Lines Act does that, and it therefore could be taken that that was done with the consent of parliament, and that parliament envisaged the construction of gas and oil pipe lines into the United States when the main act was passed, then as I have said it would be ultra vires of the board of transport commissioners to refuse to authorize any route merely on the ground that that route crosses into the United States earlier than it needs to. This would be an entirely improper exercise of their powers, because it is not made one of the factors which they shall take into consideration in approving or rejecting an application.

Following up that argument I put it forward that the board of transport commissioners has not the power to reject an application on those grounds alone. The only body with authority to say that a pipe line must be built in Canada before it crosses the boundary is, first, this parliament and, second, the government. We are asking this parliament to say that the bills now before us shall not pass until they are amended to provide that the pipe line shall be built through Canada for the maximum length before it enters the United States. If that is not done, we are content to let them pass if the government will give us assurance that they will authorize nothing but an all-Canadian route.

There are two ways in which that principle can be maintained. As I have said, the first is by the government giving us assurance here and now that they will not approve any route except an all-Canadian route. That is, the line must be built in Canada for the maximum length to serve Canadians before it enters the United States. As the leader of the opposition pointed out last Friday, the government has that authority because it must approve the route before the board of transport commissioners in turn can approve it. The government must approve the route eventually, so why not now? Why not tell us now that they will require this line to follow an all-Canadian route? Why not give us that assurance following the remarks of the Prime Minister that he personally favours an all-Canadian route? Why not tell us that the government will see to it that that policy is carried out?

Following the statement made by the Prime Minister, if that simple assurance were given to this committee the debate would end immediately. I ask the government while this bill is in committee to give us that assurance. It would simply be in keeping with the personal views expressed by the Prime Minister on the 5th of May. But there is another way of arriving at the same result, an amendment to the main Pipe Lines Act to provide that any company seeking a charter must agree to build the line through Canada before the necessary permit is granted. Such an amendment would provide authority to the board of transport commissioners to reject an application on those grounds. It would expressly empower the board of transport commissioners to say, "We believe that the pipe line should follow an all-Canadian route and because you do not follow that national policy we reject your application."

Speaking for myself, and I am confident that I speak for all other members, if the government will give us assurance that they will amend the Pipe Lines Act to that effect this debate will end immediately. Here again I refer to the remarks of the Prime Minister when he indicated that that might be the proper course to follow. The Prime Minister said that the thing to do if we are not confident that the board of transport commissioners can or will do it is to amend the Pipe Lines Act which would apply to every company asking for a charter.

I should like to refer to one other statement made by the Prime Minister on May 5. The hon. member for Vancouver-Quadra was speaking and he pointed out that when he and other hon. members who had adopted the

policy of Canada first sought in the committee on railways, canals and telegraph lines to amend these bills so that a provision might be inserted in the charters that the lines must be built through Canada, the government supporters voted against the amendment. I quote the remarks of the Prime Minister as reported on page 2231 of *Hansard* of May 5, 1950:

Mr. St. Laurent: I think they did right.

Mr. Green: It was a straight party vote and they voted us down.

Mr. St. Laurent: If I had been there I would have voted with them because I think the way to do it is not to amend private charters but to amend the Pipe Lines Act in a manner that will apply to all companies.

I think the Prime Minister was stating something which would be acceptable to every hon. member. If the government is not willing to have amendments made to private bills asking for charters, then by all means let us amend the Pipe Lines Act so that that parent legislation will provide for the preservation to the people of Canada of these oil resources, and will provide that any company wishing to build a pipe line to tap Canadian resources of gas and oil must build it through Canada.

The Chairman: I must inform the hon. member that he has been speaking for more than fifty minutes.

Mr. Fulton: I am sorry I mistimed myself; I thought I had spoken for only forty minutes.

Mr. Howe: Mr. Chairman, I had no intention of speaking this afternoon but since my name has been brought into the discussion, perhaps I might give a report on my trip to British Columbia. I think I can supply a few facts that those who have spoken for British Columbia in this debate have perhaps omitted to give to this house.

As my hon. friend has said, I made a few statements out there. I made as few as I could. As soon as I got off the plane I was met by a reporter who demanded a statement. I explained to him that I had made statements in the House of Commons, that the matter had been debated in the house and I did not wish to discuss it again. He got rather insistent, and I believe the leader of the opposition took the matter up in the house. It is one of my proudest possessions that I have the right to tell any man just what I told that reporter when he steps over the line.

However, I did a good deal of listening and I heard from a good many people. My hon. friend has referred to telegrams. Yes, I got telegrams. I got 476 telegrams.

An hon. Member: You are not going to read them all.

[Mr. Fulton.]

Mr. Howe: I can read 350 of them in fifteen seconds, because they are identical. They read:

I endorse pipe line resolution unanimously passed by the British Columbia legislature.

That one was signed by H. Best. Another was signed by C. W. Mackenzie. Another by Tom Palmer. I have 96 more where the "I" is changed to "we". They are identical except for that. Then I have 24 where the individuals used their own wording. What happened was just as clear as could be. A man working out of Vancouver would stop at such and such a place, and I would get wires from there. He would stop at the next place, and I got 37 from there. He would stop at Kamloops and how many would my hon. friend say that I got from there?— 115.

Mr. Fulton: But it was not the result of anyone coming up from Vancouver, I can assure you.

Mr. Howe: Yes, it was. If he did not visit a locality I did not receive any wires from that locality. What happened was this. Someone would arrive in a town and would open a credit with the telegraph company and then tell the people to go and send me a wire. I got a wire from Mrs. H. Best and one from Mr. H. Best. Perhaps my hon. friend can assure me that the people in Kamloops have so much money that a man and his wife would pay for identical wires just to make sure that I knew how they felt.

Mr. Fulton: Those were not all from Kamloops.

Mr. Howe: One hundred and fifteen of them were. You could follow the man as he went along. You could almost forecast where the wires would come from next day.

Mr. Fulton: I am glad the minister got them.

Mr. Howe: I was glad I got them too. The flood of wires induced me to ask one or two questions. I listened a good deal in Vancouver and I asked one or two questions. This is not a Canadian stunt. No Canadian would believe that I would be impressed by 476 duplicate wires. I may say that this filibuster is not a Canadian stunt. A filibuster running through two sessions is unique in the history of this Canadian parliament. Where does the technique come from? It comes from the United States.

Mr. Fulton: Where is the pipe line going?

Mr. Drew: Mr. Chairman, I immediately demand a retraction of any statement that I have acted, or that any other member of this

house has acted, under instructions from the United States. We represent Canadian citizens, and I demand an immediate retraction.

Mr. Howe: I made no such statement. I made a suggestion as to where the technique of filibuster came from. If my hon. friend says there was no suggestion of a filibuster he could not have been in the house. The question I asked was this. "What American pipe line company is interested in the Westcoast Transmission Company?" I got the answer and I checked it. I got it from people who know and I checked it with people who know. The answer is it is the Sunray Oil Company of Delaware. Then I looked up Standard and Poore to see how the Sunray Oil Company of Delaware is constituted. I found that Sunray is a company which builds and operates pipe lines. The company has working capital amounting to $26 million. The Standard and Poore report shows that in 1948 Sunray made a heavy investment in Canada, including purchase of something over 20 per cent of Pacific Petroleum Company. I had always understood that Pacific Petroleum Company owned the pipe line, and I believe this company still has a substantial interest in Westcoast Transmission Company. I looked up Pacific Petroleum Company and I found that control of that company has moved to the United States, and that within the next month the stock will be listed on the New York curb exchange. That is interesting information. I do not think anyone has ever told this house that the battle being fought here is the battle on behalf of a United States pipe line company.

I may say that the report indicates that Sunray Oil Company is a very reliable company. They are good operators, but I did not read anywhere in the report that Sunray follows the principle of Canada first. I looked for it but it was not there. There is nothing in their charter that says they are going to build along any particular route. As a matter of fact it is not a charter; it is simply an incorporation. The matter of routes has been brought in as a red herring to cover up the effort to shut off competition for this United States pipe line company.

Mr. Green: That is rubbish.

Mr. Howe: Statements have been made in this house—

Mr. Smith (Calgary West): Totally untrue and you know it better than anyone.

Mr. Howe: —that this company is going to build through the Yellowhead pass. I have asked one or two speakers what their authority was for that statement and they have never given it. They all deny any association with the company. They are not solicitors for the company. They do not say on what authority they speak for the company. They simply say this company is going to build through the Yellowhead pass. No proper survey has been made of the Yellowhead pass.

Mr. Green: Yes, there has. They have made an application to go through the Yellowhead pass and there has been a great deal of evidence.

Mr. Howe: They made applications at the same time for two other routes.

Mr. Green: They have been withdrawn.

Mr. Howe: That is true, but suppose they decide later after a detailed survey that it is not feasible to build through the Yellowhead pass. What are they going to do then? Are they going to quit and fold up?

Mr. Green: You can stop them by not giving them a permit.

Mr. Howe: Certainly I can stop them. I can stop them all.

Mr. Cruickshank: No, you cannot. You are not running Canada yet.

Mr. Howe: I know, but I am running the Electricity and Fluid Exportation Act, and that is a pretty effective piece of legislation. Anyway, I suggest that this house might have a little more accurate information about the Westcoast Transmission Company and the battle that is being fought on their behalf.

Mr. Green: It is not. That is a falsehood.

Mr. Graydon: It is a slander on Jimmy Sinclair.

Mr. Green: This battle is being waged because we are trying to look after the interests of Canada and you are not.

Mr. Howe: Who put up the $500 to sponsor these telegrams?

Mr. Cruichshank: On a point of order

Mr. Howe: Mr. Chairman—

Mr. Cruickshank: Even the minister cannot overrule me on a point of order. I and my people belonged to the Liberal party long before the minister ever saw Canada, and I am not going to have anybody tell me that I am being dictated to by the Westcoast Transmission Company. To the best of my ability I am working in the interests of my province.

Mr. Fulton: Will the minister permit me to ask a question? He asked if we could tell him where the telegrams came from. So far

as my district is concerned, I can tell him where they came from. They came in large part as a result of my suggestion, when I was out there before the minister arrived, that every individual and every organization send a telegram to the minister. Boards of trade and junior chambers of commerce accepted my suggestion and they have been working on it for a week or ten days. That is the main reason for the 115 telegrams.

Mr. Goode: On the point of order, the hon. member for Kamloops will remember saying in the house that he discussed this whole problem with certain executives of this gas line company.

Mr. Fulton: No.

Mr. Green: What are you trying to insinuate now?

Mr. Cruickshank: If the hon. member for Burnaby-Richmond can sit in the front row I am coming down there too.

Mr. Howe: I am trying to expose this Canada first proposition.

Mr. Green: You should tell why you are America first.

Mr. Cruickshank: Just a minute, Mr. Chairman. I think that is unfair—

Mr. Howe: Sit down. I am talking. The hon. member for Vancouver-Quadra is an extraordinary citizen. He goes around the parliament buildings with a smirk on his face, a bible in his hand and a stiletto up his sleeve. He is ready to pat a man on the head or stab him in the back as it suits his political purpose at the moment.

Mr. Green: Are you going to challenge me to a duel too?

Mr. Howe: He referred to the fact that I was an American.

Mr. Green: I did not. I said why are you for America first.

Mr. Howe: If I have not demonstrated my Canadianism over the past forty years that I have been a Canadian then perhaps I am not for Canada first. I think some people know what they are doing about this filibuster, and I am afraid that some others do not.

Mr. Drew: We know what you are doing.

Mr. Howe: I was disturbed by what the hon. member for Vancouver East had to say. I have known him for fifteen years, and I have never heard him advocate a policy that he did not believe in thoroughly. I believe that he thinks the question of Canada first is a great issue, but I will give you an exact parallel of what it is. Suppose that the parliament of Canada passed a law that no

contractor could build a public building in the city of Ottawa unless he had a dominion incorporation. The bill is passed and a company comes forward and secures its dominion incorporation. Then another contractor comes forward, and by this time of course the first man is in a wonderful position. He has a monopoly on the work in the city of Ottawa, and he gets a few friends in parliament to block the bill. They would not block it by saying that they thought the first man should have the sole rights to construct public buildings in the city of Ottawa. If they consulted the hon. member for Vancouver-Quadra I think they would probably use the Canada first issue.

Mr. Green: Mr. Chairman, on a point of privilege, there is an innuendo there that I am acting because of representations of the Westcoast Transmission Company. That is an absolute lie, and I ask the minister to withdraw his statement.

Mr. Howe: If I have said anything unparliamentary I will be very glad to withdraw it if you will quote the statement, Mr. Chairman.

Mr. Green: I ask for a withdrawal. No hon. member can make statements—

The Chairman: I do not think the minister intended to reflect upon the hon. member.

Mr. Howe: As I say, the issue would probably appear in this house as a representation that the first contractor would use Quebec granite whereas the other contractors would be likely to use Indiana limestone. Therefore the other contractors should not be given permission to construct public buildings in Ottawa. That is an exact parallel to saying that one man is likely to build his pipe line through Canada while the other two are likely to build theirs through the United States. One statement has just as much to do with the issue before us as the other. The incorporation of these pipe line companies settles no route. Parliament gave that exclusive privilege to the board of transport commissioners.

Mr. Green: Oh, no, it didn't.

Mr. Howe: Yes, it did. The board of transport commissioners can refuse any pipe line application. It has already refused to hear an application from Westcoast Transmission Company.

Mr. Green: Will you refuse permits to these two companies to build through the United States?

Mr. Howe: When I have to make that decision I will have before me the proceed-

ings at a public hearing before the board of transport commissioners dealing with the route in question.

Mr. Green: That was not the case with the Interprovincial company.

Mr. Howe: Oh, yes, it was. A public hearing was held and all the evidence was put in. After the evidence was in the Department of Trade and Commerce were asked if they were prepared to issue a permit under that act. The matter was considered and presented to council, and the board of transport commissioners were advised that a permit would issue if the decision of the board was as they then proposed.

My hon. friends are asking me to prejudge the issue on the evidence they have given. We have been told that the Yellowhead route is a wonderful route, the best route, the all-Canadian route. Certain facts were brought out in committee, at least so it has been reported to me. No detailed survey of any route has been made. All speakers rely on ex parte statements, and not on the sort of evidence on which a decision should be based. I ask hon. members to suppose this, though I do not say there is any possibility of its coming to pass. Suppose I made a commitment to the house that a pipe line would not be built unless it went through Canada exclusively, and then it was found that it could not be so built without tunnelling through the Rocky mountains. Should I be bound by a statement of that kind? I will advise the government at the proper time, after the evidence has been brought out before the board of transport commissioners at public hearings, and after that board has given its opinion as to the proper route. That is the situation.

I could perhaps give a good deal more of the information that I gathered in Vancouver, which might be new to hon. members, but I hope I have cleared the minds of some on the point at issue. This dispute is over the question of whether two pipe line companies shall be incorporated by act of parliament in order that there may be competition for building the service. I read in the Vancouver newspapers that a company had been incorporated in the state of Washington for the purpose of building branch lines from the pipe line coming from Canada. I do not suppose those branch lines would be built in the Yellowhead pass; I would assume they would be built somewhere down in the state of Washington, or further south. I was also interested in the statement that Canadians had better understand now that the people in the state of Washington were not going to pay any more for their gas than is paid by those who are getting gas from Texas. I thought it very interesting that already they are trading in Canadian gas down in the state of Washington.

There is another interest that has not been mentioned in this house; that is the interest of the consumer. He is the man who will pay for the pipe line this House of Commons is building in conversation here. He is going to pay what it costs to build the pipe line and what it costs to operate it. The man at the other end of the line is going to get what the consumer can afford to pay, less what it costs to build and operate the pipe line. In other words there is both a producer interest and a consumer interest, and both interests are greatly affected by the cost of the pipe line.

I can tell hon. members right now that I would not like to function as Minister of Trade and Commerce and make a recommendation to the government as to the export of gas on the strength of only one proposal. If there are not going to be any competitive proposals we may have to consider that position. If that is the situation, however, and it continues, I am afraid it will be a long time before the consumers in Vancouver get their natural gas from Alberta.

Mr. Cruickshank: May I say a word on this? I have not taken up much time in this connection.

Some hon. Members: Oh, no?

Mr. Cruickshank: I just moved down to the front row because my opposition moved down, and I see no reason why he should have a front seat and I should not have one as well. I do not see why we should get into a heated argument on this subject. I believe those who advocate the United States route are sincere in their belief, while those of us, particularly from the province of British Columbia, who believe in the all-Canadian route are equally sincere. I give them credit for their sincerity, and I do not see why they should not give us the same credit. An hon. member from Manitoba, whose district is flooded today, keeps advising me from the rear. When my district was flooded I was home in my riding.

Mr. Goode: To bad you didn't stay there.

Mr. Cruickshank: The hon. member for Burnaby-Richmond says it is too bad I did not stay there. After his attitude toward these pipe lines I can assure him that as far as the people of British Columbia are concerned he will not be back in this house for another parliament. I just came from Windsor, where I had a very enjoyable visit.

Mr. Goode: After you walked over the Yellowhead pass route?

Mr. Cruickshank: Well, there is one thing about it, Mr. Chairman, the more unintelligent interruptions there are the more time will be taken up. I was hoping for a vote on this question this afternoon, and as far as I am concerned we can have that vote. While I was in Windsor I had the privilege of meeting some very prominent businessmen who belong to the chamber of commerce.

Some hon. Members: Oh, oh.

Mr. Cruickshank: Go home and fill a sandbag. That is all you are good for.

Mr. Sinnott: Tell us something intelligent about the pipe line.

Mr. Cruickshank: If I were to tell you anything intelligent you would not understand it.

Mr. Sinnott: We have listened to you talking in circles for a month.

Mr. Cruickshank: I am going in squares now. As I say, while I was in Windsor I spoke to several members of the chamber of commerce. They did not know who I was, but I asked them about their gas pipe line under the Detroit river. I heard of an old widow who was seriously ill, and who had a crippled daughter. They had a gas furnace in their house, but they could not get gas; it had been shut off in Texas. All those people I spoke to, who did not know I had any connection with gas pipe lines in this house at all, told me, "Whatever you do, make very sure you have a big valve on the line where it enters the United States, so you can turn it off if you have to." Perhaps the minister did not know that gas going to Windsor was cut off in Texas. Those members of the chamber of commerce told me that certain people from the United States, and I am only taking their word for it, were in the Dominion of Canada, even in the city of Ottawa, endeavouring to make a deal by which gas would come from the Texas Panhandle through to Ontario, in return for gas through Spokane from western Alberta. I do not know whether or not that is correct, but these prominent businessmen from Windsor made that statement, and I believe it is true. I do know the name of two American businessmen from the city of New York who have been in the city of Ottawa, but I do not know whom they saw. I am here to protect the interests of my own riding to the best of my ability, and I frankly admit it; next, the interests of my own province, and then the interests of Canada.

The member for Skeena made a very reasoned speech, as he always does, and one which was well delivered. I do not agree with his arguments, but I agree with the logical way in which he presented them. The member for Cariboo made a speech which I did not understand, and I do not think anyone else in the house did. I am sure the hon. member did not understand it himself. Then, the member for Yorkton made a speech, and all I can say about that is that he believes—that would not be parliamentary, so I shall say merely that I do not agree with him.

An hon. Member: You are afraid of having your ears pinned back.

Mr. Cruickshank: I am not afraid of having my ears pinned back, because as the leader of the opposition said we are trying to build a gas line to the province of British Columbia by an all-Canadian route, and not a high pressure grease route.

I want to point this out, Mr. Chairman, that not one telegram, not one letter, has come from the province of British Columbia opposing our stand in this house. If we wanted to take up the time, Mr. Chairman, we could produce articles favouring our stand. I hope the vote is taken tonight or this afternoon. As I say, there has not been a solitary letter, a solitary telegram, or a solitary organization that has endorsed the route through the United States.

Mr. Howe: If you want some telegrams, here are hundreds of them.

Mr. Cruickshank: The minister has given me four hundred and seventy-six letters and telegrams endorsing my stand. To the best of my knowledge, there have been only three members in the house who have spoken about pipe lines who know anything about them. The Minister of Trade and Commerce is a well known engineer, and he knows something about building a pipe line. The member for Coast-Capilano is, I understand, a mining engineer, and knows something about the terrain. The member for Calgary West knows the financial end of the oil business, and has acted as solicitor for various companies, as well as a speculator in the oil business of Alberta, for many years.

An hon. Member: What do you know about it?

Mr. Cruickshank: I know nothing about it, but I can tell you this, that I am the only member of the House of Commons who has a practical knowledge of pipe lines. I happen to be the only member of the House of Commons who owns one. It was presented to me by the most representative body in the Dominion of Canada, the parliamentary press gallery, at their annual dinner. I happen to have a pipe line of my own.

The member for Cariboo told us about Christopher Columbus, Sir Alexander Mackenzie, and the building of a route through Lillooet.

Mr. Murray (Cariboo): What about the associated boards of trade, and their resolution?

Mr. Cruickshank: I happened to be at the meeting—

Mr. Murray (Cariboo): It was a resolution of the associated boards of trade of the Fraser valley.

Mr. Cruickshank: If the hon. member has not the courage to make a speech on this issue, I have. The associated boards of trade brought in a resolution favouring the all-Canadian route. I happened to be at the meeting.

Mr. Murray (Cariboo): But by way of Prince George. The resolution came from Mission City in the hon. gentleman's own riding.

Mr. Cruickshank: I did not understand the speech the hon. member delivered the other day, nor did anyone else. If he keeps on interrupting, I may get a little enlightenment on it. Many members have stated that the pipe line must go down through the Fraser valley. It has been stated that the Yellowhead route is the one route which has been surveyed by the most competent engineers on the North American continent, Ford, Bacon and Davis. A man from Vancouver by the name of "Jerry" Wood went over every foot of that territory. In the committee I listened with a great deal of interest to the member for Skeena tell me what a great man Mr. Dixon is. I have no doubt Mr. Dixon is a great man, and I am not disputing that fact at all. We heard all about this man, who admitted in the committee that he is a promoter.

Then there is another company, and I may as well mention that company, because I do not want to speak on pipe lines again. One representative of that company said he did not know what route the pipe line would follow; he did not know where the company was going to get the money; he did not know where they would get the gas, but he hoped they would secure a charter and hold up the other two companies. I am willing to admit that the Alberta Natural Gas Company is a legitimate company. I think it is backed by sound financial people. As for the other company, I might as well pick up two people from amongst the funny money group, and along with myself form a company and attempt to get a charter.

Mr. Fair: You should see how funny you look.

Mr. Cruickshank: That may be true. While I may disagree with my minister, and while I may disagree with some of the members of my own party, some of my colleagues from my own province, no Liberal has been told he has to keep quiet, as your little group were told.

Mr. Fair: That is absolutely false.

Mr. Low: On a question of privilege, Mr. Chairman, the member for Fraser Valley has just made a statement which I can imagine was made out of great emotion. It certainly was not made on the basis of any knowledge. If he will just carry on with his argument, I shall show him soon enough that no one has told us to keep our mouths shut. We have done so out of common decency, in the hope that someone would come to his senses and we would get this bill through.

Mr. Cruickshank: Mr. Chairman, if my language was unparliamentary when I said they were instructed to keep quiet, I shall withdraw it. I shall put it this way: Two of their most brilliant members made excellent forty-minute speeches—

Mr. Herridge: In favour of it.

Mr. Cruickshank: —in favour of the Canadian route, and all of a sudden there was not another peep out of them. Do not tell me that no instructions were given.

Mr. Low: Mr. Chairman, I must say once again that I am telling the hon. member there were no instructions given. I am telling him before the house that any of the members in this group can speak as he wants to speak on this subject. Furthermore, Mr. Chairman, I shall assure the member for Fraser Valley, before my members, that they may vote as they desire to vote; no one is going to tell them how to vote.

Mr. Cruickshank: I am sorry that I have been interrupted again, because it is taking up my time. I presume I shall be given a little extra time.

Mr. Low: That is exactly what the hon. member would do, take extra time, and that is the reason why I have kept my mouth shut up to now, because he would go right round and round; he is that kind.

Mr. Cruickshank: Is there any question of privilege about that?

The Chairman: The hon. member for Fraser Valley has the floor.

Mr. Cruickshank: If the hon. member wishes to ask a question I shall be delighted to answer him, because I am sure that anyone coming from Alberta or from the Peace River riding is entitled to enlightenment.

Mr. Blackmore: Stick to the facts.

Mr. Cruickshank: I am getting help from Lethbridge now. If the hon. member for Peace River did not issue any instructions I accept that, and I accept his apology.

Mr. Low: I must say there is no apology, Mr. Chairman. It was a statement of fact.

Mr. Cruickshank: If the information given to me as to where the instructions came from was wrong or incorrect I apologize to the hon. member for having associated his name with them, but I do not think I did.

The Chairman: Order. I think it would be much better to come back to the clause under consideration.

Mr. Low: Yes; let us get back to pipe lines.

Mr. Cruickshank: Mr. Chairman, I am sorry if I transgressed the rules. I very seldom break the rules of the house. I try to follow strictly in line at all times. If I have broken the rules I am sorry. I withdraw any of the suggestions that I made that the hon. members had orders. I do not think they did. They just fell in line.

To get back to the pipe lines, Mr. Chairman, what we from the province of British Columbia are particularly interested in is the development of small industries within our province.

I think I am in order in bringing this up, Mr. Chairman. You will notice that I did not come down to the chamber this afternoon with four or five hundred telegrams or five hundred letters which I have received, nor with a speech all typewritten out for me by someone in the Morgan Stanley Company. I am speaking without notes and without telegrams or letters, although I could produce them from every riding in the province of British Columbia, and from almost every board of trade in that province, favouring an all-Canadian route.

As I said before, Mr. Chairman, I respect the sincerity of my colleagues from British Columbia who believe in the United States route. I believe they are sincere in their belief that it should go through the United States, but we are asking the same appreciation of our sincerity. I now refer to those of us who believe in an all-Canadian route.

In my own particular district I realize that gas will never go into the individual homes and farms; that is obvious. But it could bring small industries to our towns, such industries as were mentioned in a letter to one of the most prominent businessmen and a constituent of mine. I will just mention two towns, the town of Kamloops and the town of Chilliwack. It is the cheapest form of power—

Mr. Fulton: One is the best and the other is the second best town in British Columbia.

Mr. Cruickshank: It is the cheapest form of power in the world. It could bring small industries, decentralized industries, to our towns.

The hon. member for Nanaimo mentioned the national defence point of view. I heard a little scoffing at that. But at the same time we hear our minister of external affairs, whose seat I am occupying at the present time while he is occupying one that I should like to occupy in Geneva or London, tell us how serious the international situation is. Is there any better way to prepare than to have power on our great Pacific coast? According to all the experts, we have only one possible enemy, and the most likely avenue of attack will be on the Pacific. Should we not have the power transferred to the province of British Columbia by the quickest, cheapest and the safest possible route?

The Minister of Trade and Commerce mentioned the consumer's angle a short time ago. It is quite true that the consumer should be protected and cared for; but the only figure that was given to the committee indicated that the additional cost of an all-Canadian route would be somewhere in the neighbourhood of $17 million. That figure was picked out of the air by this great expert, Mr. Dixon. No reason was given for the $17 million. He just picked the $17 million out of the air. Not one iota of evidence was given to that committee, so far as I could hear, to show that the gas would cost one cent more if it went through an all-Canadian route, as opposed to an all-United States route.

We hear some amateur experts in this committee talk about slides and tunnelling. We were accused of supporting one company. So far as I know every hon. member from British Columbia who has spoken in opposition to the United States route has said that he did not care a hoot which company built it so long as it is an all-Canadian route. I know I am accused of being for the Westcoast Transmission Company because I happened to sponsor their bill last year. We made a mistake last year in approving their charter without having written into it an all-Canadian route. We made that mistake, but two wrongs do not make a right. I went so far as to say—and I was speaking with authority—that the Westcoast Transmission Company was willing to have it written into its charter, provided it is written into the charters of the two other companies, that it should be an all-Canadian route. Can anything be fairer than that?

I am not a legal expert because I do not know anything about law. You know, Mr.

Chairman, one of the privileges I had at Windsor yesterday was an escort of mounted police down the street. My only experience with policemen on motorcycles before has been chasing them. That is about as much as I know about law. But I heard the leader of the opposition give an explanation of an act that was passed in 1907. I would ask a lawyer, not some amateur lawyer but say one from Lake Centre or one from Kenora-Rainy River—and I am going to be fair about this; I will see if I can find one down in the corner; no, I cannot see one there—to give us his interpretation of the act that was passed in 1907. I should like to know whether or not the leader of the opposition was correct. I had never heard of it before, but if my understanding of the matter is correct the government of Canada and the government of Canada only has the say in the export of gas and oil. That was my understanding of the act as outlined to us the other evening. I would like to be corrected by some legal expert if I am wrong.

Now, Mr. Chairman, in the hope that we will have a vote before six o'clock I am not going to take up any more of the committee's time. I am sorry that the argument has got heated at times. If I have been at all unfair to the hon. member for Cariboo or to anybody else I apologize. I feel very keenly on the matter, as I am sure they do. I think I have every justification for feeling keenly about it because 99 per cent of the people of my riding feel as I do. I understood the minister to say that it will not be a government vote, but a free vote. It is a private bill. I sincerely hope that when the vote is taken each and every one of my colleagues from British Columbia will repent, will see the evil of their ways, and vote with us. Particularly do I hope that many of those from the maritimes and eastern Canada, who will look to us from the west for assistance in the future, will vote with us against these bills.

Mr. Smith (Calgary West): I am going to speak for just a moment or two. I had no intention of doing so until the Minister of Trade and Commerce spoke, but he did attack some friends of mine and I intend to reply in kind. He tried to draw the inference that the Westcoast Transmission Company was a blind for the Sunray Oil Company of California, even though he did say, "Delaware", or wherever it was. The Sunray Oil Company did buy some two years ago —it was in all the newspapers—into the Pacific Petroleum Company. The president of that company was a gentleman named Frank McMahon, a personal friend of mine. They bought into that company and put a tremendous amount of money into development work, with the result that today they are one of the leading producing oil and gas companies in Alberta. In fact, if you eliminate Imperial, Royalite and Home, I think they will rank just below them. These are the people behind the Westcoast Transmission Company.

For the minister to imply, as he did, that the hon. member for Vancouver-Quadra and other members in this house are stooging for the Sunray Oil Company is just as true as if I were to say that he is stooging here for Morgan, Stanley and Company. I have in my hand the exhibits filed by this same man Dixon before the board in Alberta—and I am referring to the gas and oil conservation board.

But before I go on, the minister told us that no one had indicated to him where they were going to build. Well, his scouting system must have gone to pieces. In Calgary for well over a month—they have now adjourned until the fall—the Westcoast Transmission Company has been applying for a route. This is the Yellowhead route, down the Thompson, into Kamloops, on to Princeton, Princeton to Hope and Hope to Vancouver. The evidence is all sworn to. I heard some of it myself. If the minister is interested, there are twenty volumes of evidence which I have in my office, and he may borrow them at any time he wishes. The survey they conducted is on the basis of one-tenth of a mile. So it is utter rot and nonsense to say that these people have not done a job, and a good job. They had eight engineers in Calgary from Ford, Bacon and Davis, including the senior vice-president, Mr. Whittlesey; I met them there. It was there I also met Mr. Dixon and Mr. Logan. We are a hospitable people out there. This company, Pacific Petroleum Company, must have at least forty producing wells, and their exploration program is one of the biggest we know—not in the United States, but in Alberta.

I asked the minister's friend, Mr. Dixon, this question in committee. He does not own a gallon of oil or a foot of gas; he frankly admitted he was a promoter who hoped to control the policy of the company whose charter we are now considering.

The Alberta Natural Gas Company filed a printed application, and also filed with the application exhibits A to E inclusive. One of these exhibits—and it is the most remarkable thing of its kind I have seen—is a list of the financing done by Morgan, Stanley and Company, and the other two persons they named in the application. It consists of at least sixteen pages, closely typewritten, showing figures such as $40 million, $157

million, $18 million, $156 million, $80 million, $125 million, $85 million—and it goes on for sixteen pages.

This is the sort of thing the promoters of this company filed with the board in an effort to get permission to export this gas from Alberta—and when I say "export" I mean even to another province.

So, Mr. Chairman, I am going to close with this, that having regard to other debates this one has been conducted on a reasonably high plane. But I think it is no credit to the House of Commons or to the minister that at least for the first time in this session he should project himself into the debate and start riding companies the officials of which are just as honourable men as he now is, ever was, or ever will be. That sort of nonsense I simply will not put up with. I ask your pardon, Mr. Chairman, for speaking again, even for a short time, on this matter.

Mr. Coldwell: I really did not intend to say anything this afternoon, but when the Minister of Trade and Commerce was speaking he referred to a speech made by the hon. member for Vancouver East, who is attending a committee meeting this afternoon. I was glad the minister said that he knew the hon. member would not advocate anything in the house if he felt there was something shady behind it. Those are not the words he used, but that is the implication of what he said.

I was glad indeed to hear the minister say that. But I wish to add this, that having listened to this debate—and when I say "listened" I mean exactly that, because I have participated in it only briefly on one or two occasions before—I have come to the conclusion that what we really lack in this country is a proper national policy for the development, conservation and use of our resources primarily for the Canadian people.

That can be attained in my opinion only through agreement between the federal and provincial authorities; because, after all, the resources of the provinces are under the control of the provincial governments. It seems to me this debate has illustrated how badly we need to do something comprehensive in the way of planning the use of such resources for the good of the country as a whole. If we are going to do that, then I believe further that that can be undertaken only by means of a publicly-owned plan and operation of resources of this sort. Because, after all, when we allow a pipe line to be built to convey oil or gas from one area to another it is obvious that that must, because of its nature, become a monopoly for the company

granted that right. That is true of electricity; but certainly in connection with gas and oil it is also true.

No one who has listened to the debate believes for one moment that more than one pipe line will convey the gas from Alberta to the Pacific coast, whether it goes by a Canadian or an American route. Indeed it would be economic waste to have two or three pipe lines or two or three companies competing for the business in gas in a city like Vancouver. Where we have had gas made from coal in days gone by, and where there have been two or three companies in cities, we have found that invariably they have been consolidated into one company usually publicly owned. The experience in this city of Ottawa in regard to electricity confirms that point of view. Where you had various companies, today they are consolidated into one organization. It seems to me that the only way in which you can deal intelligently with the use of a resource of this description is by public ownership.

In the last parliament we moved for public ownership of the lines concerned with this great utility. I regret exceedingly that that amendment was not adopted as I think it might have obviated a great deal of discussion and removed many of the fears that are felt quite naturally by some hon. members from British Columbia, and particularly by their constituents. In the utilization of these great gas and oil resources, not only are the provinces of British Columbia and Alberta interested; the rest of the country as well has an interest. I do not know where and when another gas and oil field will be found, but I believe there are in Alberta huge supplies of gas which should be utilized for the benefit of the prairie provinces as well as of British Columbia. We should not be contemplating supplying gas to the Pacific coast of the United States before the needs of Manitoba and Saskatchewan and British Columbia have been considered.

I go further and say that with the distances that gas and oil are now being piped in North America it might be found economical to pipe this great natural resource to Ontario, or at least to the western part of the province should supplies be found to be adequate. This debate has indicated the need of utilizing this great resource on a national basis rather than on the basis of the needs of British Columbia and Alberta only. The only way we can plan the use of a resource of this description is to determine that it will be utilized through some form of public ownership and public control.

This afternoon the minister made the point that the consumer should be considered in

connection with the use of this gas. I agree. He also made another statement with which I agree, that the consumer after all will pay for these pipe lines. Of course the consumer will pay for the pipe lines in the charges that will be levied.

Mr. Goode: A million dollars a year extra.

Mr. Coldwell: That is not the point I am trying to make. The consumers will pay for it, but the promoters will own it after the consumers have paid for it. I would rather see the people of Canada own it even if we have to pay a few million more for the privilege of utilizing it in our own country.

I was not able to attend the meetings of the committee where this matter was gone into. I spent part of the evening there when it was decided that no further representations would be heard on the question of the route. A motion was carried to go ahead the next morning with the discussion of the bill clause by clause, after one hour of general discussion. Having looked at some of the evidence since I have come to the conclusion that no hon. member should vote for the passage of this bill until it has been returned to the committee.

The committee should sit again and go into the matter more thoroughly. It could hear all the evidence that is available. When that is done the proposal that I have suggested should be considered. In view of the squabble that has occurred between the promoters of these companies, consideration should be given to the utilization of this resource by means of a publicly-owned pipe line. The matter could be discussed by Alberta, British Columbia and the federal authorities and, if we are thinking of a national policy, with other provinces that are likely to be involved in such an undertaking.

As far as the Sunray Company is concerned, I know nothing about it. The suggestion has been made that there has been some lobbying in this regard, but I have been paid the compliment of not having been lobbied by any company. I suppose they know where we stand on this kind of proposal and no one has seen me at any time in regard to this matter, either an agent of Sunray or any other company interested in the building of a pipe line.

Whether this is to be built under public or private ownership, we should have knowledge of the route that will be followed. Before this committee agrees to the passage of this bill we should instruct the executive of this parliament, which is the government. As the leader of the opposition so well said the other evening, in the final analysis it is the government that will decide whether this line will pass through the United States or whether it will pass through Canada. This parliament has an obligation, not only to the people of British Columbia, Alberta and Saskatchewan, but to the people of all Canada to see that the executive of this parliament carries out the considered—I use the word "considered" advisedly—opinion of this house. But I submit that that considered opinion cannot be given until more inquiry is made than was made by the committee before it rose and made its report to this house.

I do not propose to continue the debate. I wanted merely to express my point of view. This discussion has gone on now for two sessions and every facility has been granted by the government to get through these pipe line bills. I submit that after this full discussion and consideration the whole matter should be voted down and considered anew. When we consider the matter anew it should be on the basis of a national policy, thinking first of the interests of Canada as a whole. If we do that, I believe we shall come to the conclusion that in co-operation with the provinces concerned we should build this line or any other line—in the very nature of things they must be monopolistic in character—through a publicly owned and controlled organization, just as Ontario has built its great system of hydroelectric lines.

Mr. McCusker: Mr. Chairman, coming from Saskatchewan as I do I feel I should express the views of the people there before this matter comes to a vote. For many months now we have been debating these pipe line bills. I must say that not very much information has been given us upon which to form an intelligent opinion as to whether the line should be built through British Columbia or through the United States. Very little engineering data has been presented to us to support any claim. We have not had conclusive engineering data supplied to us this year to assist us in determining that any route is the correct one. I am not so much interested in the route used to export gas. I favour it going through Canada first if it is at all possible, and if such a route is feasible. What I am particularly interested in is the reserves of gas. I believe Dr. Hume made his last report on Canadian gas reserves in 1948, and at that time he said there were four trillion cubic feet. I have inquired from various people who are supporting the different pipe lines as to what volume of gas would be exported if a line were to be built. None of them seemed to have a very clear idea.

One thing they all seem to forget is that our reserves of gas are exhaustible. As soon

as you instal a pipe line and start to withdraw gas your reserves are being depleted. That was clearly demonstrated in the Medicine Hat field. Years ago it was the boast in Medicine Hat that they had such a tremendous supply of gas they did not bother to turn off the street lights in the daytime. Nevertheless the day came when the field was depleted, and today they are having to put gas from the Turner valley into the Medicine Hat field. We are carrying on exploration in Saskatchewan but we have not found any gas although we hope to do so. We have found a little oil in the Lloydminster field. Manitoba may not find any gas or oil. I am one of those who feel that the needs of the prairies should be looked after before we allow any gas to be exported from those provinces. I have heard hon. members state here that we have reserves which will last for fifty years. Imagine that! Would any hon. member think it was a wise policy to sell our forests on a basis of depleting them in fifty years? Forests grow again but gas and oil reserves cannot be replenished.

We talk about new pipe lines in western Canada. We have room there for thirty million people. We are constructing irrigation systems. At the present time we have a small population and we cannot use the gas but if we put thirty million more people in the prairie provinces I believe we will have a market for all our gas there. I should like to see hon. members of the house directing their energies as ardently towards bringing industries to western Canada where the gas is, rather than toward the construction of a pipe line to take our resources out of Canada for the benefit of people elsewhere.

Some people wonder why these pipe line companies are so interested in getting a franchise to take gas out of Canada. We are told their interests are purely altruistic, but I have noticed that the stock of the Interprovincial Pipe Line Company has risen to $300 a share whereas it originally sold for $100. Are the consumers going to pay a dividend on the basis of $300 or is it going to be held down to the basis of $100 a share? That is what I should like to know before the matter is settled. I think the board of transport commissioners can do something in that regard. I understand they have the power to fix rates. I for one am going to do my best to see that a return will be paid only on the basis of $100, the money that was really put into the company, and not on the price of $300 that is being paid for the stock today. I am sure the same thing would happen with other pipe lines.

While I am interested in the export of gas and oil if we have sufficient to look after ourselves for hundreds of years, I do not believe in exporting it before we have an opportunity to find out what we really have at home and if we can use it. I was undecided how to vote on this matter until I heard the leader of the opposition make an eloquent speech the other night. In it he stated that the government has power to say where a line will go. He also said that under the Electricity and Fluid Exportation Act the government has power to say whether it will allow anything to be exported, and that the province of Alberta has power to say whether or not they will export any of their gas. The government was elected by an overwhelming majority of the people. They judged it on its conduct of the war and on its record in the re-establishment of industries after the war. I think the people have faith that the government will make the proper decision when the time comes. Therefore I think the only thing to do is to pass these measures and thereby give Alberta what it wants, more competition should she decide to export any gas. Nevertheless I am certainly against exporting any until we ascertain whether or not we can use it at home.

Section agreed to.

Sections 2 to 5 inclusive agreed to.

On section 6—*Powers of company.*

Mr. Green: There is one thing I should like to point out about section 6. The powers given under this section can be exercised within or without Canada. Statements have been made by several members that the company which received a charter last year has an advantage. I simply point out that this provision is wider than in the Westcoast Transmission Company bill or in the Prairie Transmission Lines Limited measure. In both of those cases there is a restriction to Alberta and British Columbia or outside Canada whereas under the present measure incorporating the Alberta Natural Gas Company power is given covering any part of Canada. Therefore the company has power to pipe gas not only to the west coast but also to the east. The main point I wish to make is that a special favour is being given to this particular company.

Section agreed to.

Sections 7 to 10 inclusive agreed to.

Preamble agreed to.

Title agreed to.

Bill reported.

Mr. Benidickson moved the third reading of the bill.

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, in opening my remarks on third reading of the bill I express regret that the Minister of Trade and Commerce (Mr. Howe) is not in his seat because I propose to say a few words about the stand he has taken. The fact that he is not here, however, is not my fault. This afternoon we saw him come into the chamber and, when he rose to speak, lose his temper and make quite a few rather violent remarks which I think clearly showed his attitude on the whole question. It is a very touchy subject not only for the Minister of Trade and Commerce but also for the Prime Minister (Mr. St. Laurent) who has lost his temper twice during the debate on these measures.

The Minister of Trade and Commerce made certain remarks as to what he would do and how he would deal with this question at the proper time.

Hon. members should remember that less than a year ago the Minister of Trade and Commerce, who sits for the riding of Port Arthur, brushed aside the representations of the people of that riding and allowed the main oil pipe line to by-pass the Canadian lakehead cities of Port Arthur and Fort William and go instead across the United States boundary to Superior, Wisconsin, where tankage and docks are to be installed, so that Americans will get the jobs that should have been available to Canadians. Having done that last year, I do not expect him to give any special consideration to the wishes of the people of British Columbia in connection with this natural gas pipe line to the west coast.

The issue is now abundantly clear; it is whether or not there is to be an all-Canadian route for this natural gas to the west coast. In other words, are the requirements of the Canadian people to be met before the requirements of those Americans living in the northwest United States? All the Prime Minister (Mr. St. Laurent) or the Minister of Trade and Commerce had to do at any time during this debate was announce that this main pipe line would be routed to the west coast in Canadian soil. Had that been done there would have been no further debate. However, they have been very careful not to give any such assurance.

This afternoon, by way of summing up, I propose to set out some of the reasons why this question of an all-Canadian route is of importance to the people of British Columbia, and I hope to conclude my remarks with a few reasons as to why the issue is also of great importance to all Canadians, no matter in which province they happen to live. In the first place this proposed development is not of a minor nature. I have here a dispatch which appeared in the Vancouver *Province* of April 22 summing up very clearly just what this development means to the west coast. This is the report of a meeting of purchasing agents of public utility companies in British Columbia and also the states of Washington and Oregon, and the first paragraph reads:

> Purchasing agents from three of the largest public utility corporations on the west coast agreed today that the proposed natural gas pipe line from Alberta would be the major economic development of the decade for the Pacific northwest.

One speaker, who came from the United States, said:

> With the introduction of natural gas, the amount of potential energy that will come through this pipe line will be the practical equivalent of the power energy now coming from Coulee and Bonneville.

Those are two immense power dams in the states of Washington and Oregon. Then the statement by the Minister of Trade and Commerce in Vancouver five days ago clearly showed the great importance of the development. He said it looked as though an oil pipe line would follow the gas line to Vancouver. That may very well be of greater importance than the gas pipe line itself. The Vancouver *Sun*, which has the largest circulation of any newspaper west of Toronto and which has been a staunch supporter of this government ever since I can remember, had an editorial dealing with that statement by the minister, headed "It must be all-Canadian." It is dated May 12, and the first paragraph says:

> Mr. Howe's revelation that an oil pipe line from the Alberta oil fields to the Pacific coast may follow the gas pipe line makes it all the more necessary that the gas pipe line should follow an all-Canadian route.

Then it goes on:

> Think what it would mean if the suggested oil pipe line followed an American route.
>
> The oil from Alberta would be pumped to tidewater at Seattle or Tacoma and there refined for shipment or shipped crude. There would be jobs for Americans—but what of Canadians?
>
> Canadians should demand that a policy of "Canada first" be adopted. If refineries are to be built and shipping development to take place as a result of the exploitation of Canada's resources, the ports and workers of Canada must have preference.

That is really the essence of our argument, that Canadians must have first call on Canadian resources. That was the main ground on which a few weeks ago the legislature of British Columbia unanimously adopted a resolution advocating a route through the Yellowhead pass. The Prime Minister and the Minister of Trade and Commerce seem to have paid no attention at all to that resolution; yet there it is, setting out the reasons and supported by all parties in that legislature. I think perhaps that

is the most significant development to come out of this whole discussion. The British Columbia legislature were particularly concerned with the development of northern British Columbia. They felt that if the route went through the Yellowhead there would be an outlet for gas and oil from the Peace river district, where the British Columbia reserves are located. And just two or three weeks ago, when the bills were in committee and there was publicity in the Vancouver newspapers, the attorney general of that province again confirmed the stand of the legislature. Here is what he said, on April 27:

> The government of British Columbia supports the northern route because it will provide an outlet for gas in the British Columbia section of the Peace river block. We also believe it is the logical route to ensure maximum development and benefit to both provinces.

Then look what it means by way of jobs. Mr. Dixon, who appeared before the committee on behalf of the applicants for incorporation, spoke only of routes through the Crowsnest pass in southern British Columbia. He knew nothing about the Yellowhead route and had not even bothered to have it checked. But on his figures for his own all-Canadian route through the Crowsnest pass we find that there would be spent in Canada practically $66 million; that is on the route from Pincher Creek to the coast. On the other hand if his second route were followed, going mainly through the United States, only $22 million would be spent in British Columbia. So there is a difference of $44 million in the amount to be spent in British Columbia, depending on whether this line goes through Canada or through the United States. That could mean an additional $44 million to provide jobs for Canadians, and to buy materials manufactured in Canadian plants all over the country. The difference in mileage in these two routes was, by an all-Canadian route, 626 miles in Canada from Pincher Creek, Alberta, to the coast, and 385 miles in the United States, made up of course of the branch lines in the United States; by the route through the United States, there would be only 210 miles in Canada and 720 miles in the United States, which included practically all the main pipe line.

Something has been said in the debate about the price of gas at the coast. The Westcoast Transmission Company, which is proposing to pipe this gas through the Yellowhead pass, gave figures before the Alberta conservation board showing that the price of gas in Vancouver would be 29·2 cents per thousand cubic feet. Mr. Dixon was unable to meet those figures, even by the route which went through the United States. The inference has been left here that it would be cheaper to pipe this gas through the United States, but there has been no contradiction of those figures given by the Westcoast Transmission Company.

One other reason why this question is of such importance to the people of British Columbia is this. If the main line goes through Canada, then control remains with Canada until our requirements have been met. Whatever gas is surplus can go to the United States; we are not concerned about how that will be controlled. If this main line is kept in Canada, there can never be any question about the gas being shut off to Canadian users. If the main line were through the United States, we would always face that possibility. I think it was the member for Fraser Valley who mentioned the fact that the people of western Ontario have already had that experience. They had their supply cut off a year or so ago because there was not enough gas to serve the requirements of the United States, so Canada was cut off.

I suggest, Mr. Speaker, that it would be intolerable to have British Columbia placed in a position where the gas supply could be cut off because extra gas was needed in the northwest states of the union. It would be an intolerable situation. The government of Canada, at the instigation of the Department of Trade and Commerce, co-operating with other departments, actually had the minister at Washington appear before the United States power commission on April 18 to make representations on behalf of the Canadian government to have that commission grant the Panhandle Eastern Company authority to export gas to western Ontario. The minister, in making his representations, was quoted as saying he was sure it would be without detriment to United States customers. If the government show that concern for the users of gas in western Ontario, then they certainly should show an equal concern for the potential users in British Columbia, and make sure this main line is built in Canada.

The Alberta Natural Gas Company does not, unfortunately, meet the requirements. Their representatives showed only too clearly in the committee that the company is determined to build by the United States route. I asked Mr. Dixon whether he would give any pledge about building in Canada. This evidence is found at page 114 of the proceedings:

> Q. Will you give any pledge to this committee that your company, if it is incorporated, will build the Canada-first line, build a main line through Canada to the west coast?
>
> A. No.

Q. Mr. Dixon, that is clear cut and we are glad to have that statement but I ask you if in your talks with the Right Hon. Mr. Howe, the Minister of Trade and Commerce, that is the stand you have taken?

A. Just exactly. I have not said anything to Mr. Howe I have not said to you.

There, Mr. Speaker, was the difference between the attitude of the applicants for incorporation of the Alberta Natural Gas Company and the Westcoast Transmission Company. Last year the Westcoast Transmission Company did give a pledge in committee that they would build by the all-Canadian route. The application that company has made to the Alberta board is on that basis, and so far they have shown good faith in carrying out that pledge.

Mr. Dixon himself brought out a fact which showed clearly that his company intends to build through the United States. He produced a letter from the Dominion Bridge Company, stating he had been negotiating with them for steel pipe. The letter was signed by the sales development manager, and it ended with this paragraph, after setting out what that company could do in the way of supplying pipe:

It is further based on our understanding that the Canadian portion of the Alberta Natural Gas Company line would require approximately four hundred miles of pipe of twenty-inch diameter or over.

In other words, Mr. Dixon only asked the company for sufficient pipe to meet the requirements of a line, the main route of which lay through the United States.

There is no question but that the Alberta Natural Gas Company is to be controlled by people in the United States. We asked about where the stock control would be, and Mr. Dixon refused to contradict the statement that it would be in the United States. One of the partners of the firm of Morgan Stanley is an applicant for incorporation, and Mr. Dixon showed in his evidence that Morgan Stanley were taking charge of the financing of this whole project. He also admitted that the Alberta Natural Gas Company would be either a subsidiary of the Northwest Natural Gas Company or that the latter would be a subsidiary of the Canadian company. All of the evidence indicated that the company preferred to build by the route through the United States. They want the route through the United States because it will be more profitable for them. The line gets into the large market quicker by that route, and the promoters think it is in their interest to have the line go to the south at the first convenient point.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Green: When the house rose for the supper recess I was pointing out that the Alberta Natural Gas people are obviously determined to build via the United States route. In that connection a very significant event happened in Vancouver on the first day of the month during a meeting of what is called the Pacific northwest trade association. That is an association made up of businessmen from British Columbia, Washington and Oregon. In reporting what happened at that meeting the Vancouver papers say:

But the northwestern U.S. states prefer the line that runs south out of Alberta through their territory first. This point was made almost rudely clear at recent meetings of the Pacific northwest trade association here. In meetings at hotel Vancouver delegates from Washington and Oregon hardly gave a thought to the British Columbia line, and even cheered lustily when it was mistakenly announced that Northwest Natural Gas Company—

Which of course is the parent of the Alberta Natural Gas Company.

—had received its charter and "would be able to build through our states."

That gives you the attitude of the people in Washington and also the aims of these Alberta Natural Gas promoters.

In addition to that, they ignore the north country completely. I need to quote only one question and answer from the proceedings of the committee to be found at page 99: I asked Mr. Dixon:

Your pipe line comes across southern British Columbia and is absolutely of no use to the Peace river or northern Alberta and north British Columbia.

A. Our line would be of no use to the Peace river.

As a matter of fact, these people are not interested in developing Canada at all. If they are allowed to build their pipe line by this United States first route it will not only mean British Columbia losing a chance for great development, but it will also mean that British Columbia will be in bondage for all time to the Northwest Natural Gas Company and to the United States federal power commission.

Unfortunately for British Columbia, the Alberta Natural Gas Company seems to have the support of the present Canadian government. The way the procedure of this house has been directed by the government to give this company the priority, right from the start of the present session, is a very clear indication that the government stands behind this company.

Then, a parliamentary assistant sponsored the bill. It should be pointed out that not only is he a parliamentary assistant but he is

actually in charge of the Department of Mines and Technical Surveys at the present time, and that is the department which would have to do with all these oil and gas developments.

When the vote was called the other day the Prime Minister (Mr. St. Laurent) jumped up to vote first, although this is supposed to be a private bill. Then we had him reprimanding the hon. member for Fraser Valley (Mr. Cruickshank) the other night by referring to him as "one of my erstwhile supporters on other issues." The Prime Minister's whole speech was in effect an appeal to his supporters to do as he—

Mr. Cruickshank: Mr. Speaker, may I correct the hon. member. Much as I agree with his speech, I should like to keep my record clear. The Prime Minister said he was not referring to me. I want to keep as much in clear water as I possibly can.

Mr. Green: The point I am making is that the Prime Minister appealed to the Liberals in the house. That was the purport of his speech.

It will be noticed that one of the applicants for incorporation is Austin Cottrell Taylor of Vancouver, who is a director of the Bank of Canada, and another applicant is Cortelyou Ladd Simonson of the city of New York, who is a partner in the firm of Morgan Stanley, and the firm of Morgan Stanley have been in charge of the government's financing in the United States.

Then we have the Minister of Trade and Commerce (Mr. Howe) writing a phony letter, may I say, to the city council of Vancouver, the terms of which he himself has since contradicted. In this letter he referred to his talks with the Alberta Natural Gas Company, but not a word about a talk with the Prairie Transmission Lines Limited. It is quite clear that these people are the friends of the government and that bodes ill for the people of British Columbia because, as I say, an attempt is to be made by them to build this line through the United States.

In any event, we find evasion by the government on this question of an all-Canadian route. Oh, lip service is given by the Prime Minister and the Minister of Trade and Commerce to the policy of serving Canada first. Here is a headline from a Vancouver paper dated May 10: "Canada 'First' on Gas Pipe Line" in reporting a statement by the Minister of Trade and Commerce; but —and there is a very big "but" in their Canada first attitude—they say: "Oh, the board of transport commissioners must decide." In his speech the Prime Minister said not one word about the government's responsibility under the Electricity and Fluid Exportation Act. Yet we find in section 5 of that act that in the first place the governor in council, which means the cabinet, must issue a permit before gas can be exported; but we find further this provision:

> No person shall, without a licence, construct or place in position any line or wire or other conductor for the exportation of power, or any pipe line or any other like contrivance for the exportation of fluid.

That is a provision that the cabinet must give a permit before a pipe line can be built for the exportation of gas or oil; yet we have had no offer from the Prime Minister or the Minister of Trade and Commerce to restrict these permits to an all-Canadian route; and each of the three companies has an all-Canadian route. The Westcoast Transmission Company has the Yellowhead route. The Alberta Natural Gas and the Prairie Transmission Lines Limited have, through the Crowsnest, an all-Canadian route, and these latter two say that in addition they will now investigate the Yellowhead route; so it is not as though there were no all-Canadian routes available in each of the three cases.

Both the Prime Minister of this country and his senior minister, the Minister of Trade and Commerce, are now hiding behind the board of transport commissioners. They both know that last year before the Interprovincial Pipe Line Company could get any order from the board of transport commissioners a permit had to be issued by the authority of the government. That was proved the other night by the leader of the opposition and I have a copy of the order in council and the permit here tonight. During the debate last year the Minister of Trade and Commerce himself said, as reported at page 1560 of *Hansard*:

> The board of transport commissioners will, I assume, as they have in the past, require that the company produce a licence under the Electricity and Fluid Exportation Act which is administered by the Department of Trade and Commerce.

No matter how they twist and turn, the responsibility for giving a permit for building a pipe line outside Canada rests with the cabinet. I thought it was neatly put on May 6 by Elmore Philpott, a columnist writing in the Vancouver *Sun*. He said this:

> It is a downright insult to the intelligence of the people of Canada for M.P.'s, and even cabinet ministers, to wriggle and quibble when it comes to answering a straight question like this:

And here is the question Mr. Philpott put forward:

> Are you for an all-Canadian pipe line to the Pacific coast, or are you for mainline-via-U.S.A.? If you are for Canada, why the hesitation about writing into the law of the land a clause saying that the pipe shall go via Canada, and serve Canada first and foremost?

This evening I had meant to say something about tolls and rates. There is no provision in the present Pipe Lines Act for the regulation of the rates that may be charged for transmitting this gas, although there is provision for regulating rates on oil. I have not, however, the necessary time tonight to go into that point further.

I promised when I opened my remarks this afternoon that I would try to point out why this issue is of importance not only to the people of British Columbia but to all Canadians; I refer to the question as to whether this route shall be an all-Canadian route and shall first serve the requirements of the Canadian people. We have exactly the same situation arising in Quebec and in Labrador with respect to the iron ore. Is that iron ore to be smelted in Canada to the greatest possible extent or is it to go to the United States? We have not one word from the Prime Minister (Mr. St. Laurent) or from the Minister of Trade and Commerce (Mr. Howe) that would lead us to believe that there is to be any increase in the smelting of iron ore in Canada or that any new smelters are to be established. We have a lead given by the premier of Quebec, Hon. Mr. Duplessis. I have here a press dispatch of May 2, under the heading "Quebec May Manufacture Own Steel", which reads in part as follows:

> Montreal, May 2.—A development which might have a big effect on Quebec's economy was made public when Premier Duplessis told of a plan for making steel from Ungava iron ore and graphitic shale.

What are the Americans doing? Within the last month three of the American secretaries—the Secretary of State, the Secretary of Commerce and the Secretary of the Interior, Mr. Chapman—have appeared before the public works committee of the House of Representatives, urging upon that body that they recommend the construction of the St. Lawrence waterway; and in each case when the secretary pleaded for such action by that committee, one of the main grounds given was that American iron ores were becoming depleted, that the Mesabi range was being dug out, and that it was essential to get the Canadian iron ores down to the American steel plants. Mr. Chapman appeared just last week or a few days ago, May 4, and he actually is reported to have said this:

> Chapman said the United States would not have reached economic pre-eminence had it not been able to produce steel at a rate equivalent to its industrial growth . . .
>
> Moreover, movement of the Labrador ores would conserve the remaining high-grade, open-pit ores of the Mesabi range for emergency use.

The Americans are taking the right stand. They want to use these Canadian iron ores to manufacture their steel. If a policy such as this government is following at the present time is continued for long, there is a grave danger that Canada will be nothing more or less than a satellite of the United States.

An hon. Member: Nonsense.

Mr. Green: It is all right for the Prime Minister and the Secretary of State for External Affairs to sneer at the satellite nations in Europe; that is, the satellites of the Soviet. But Canada does not want to be a satellite on the North American continent, and the Americans do not want us to be one. They want us to be a great strong nation in our own right; and that is what we could be if we used our resources such as these finds of iron, oil and gas primarily for the development of our own country.

It is perfectly obvious, Mr. Speaker, from the remarks of the Minister of Trade and Commerce this afternoon, that he does not intend to make any commitment in favour of an all-Canadian route; but I am going to try to put the members of the house on record on this question. This is a private bill. Private members have a right to vote as they see fit. It will not look well if they all flock behind the government as they have done up to the present time on this issue, with the exception of the hon. member for Fraser Valley (Mr. Cruickshank) and the hon. member for Coast-Capilano (Mr. Sinclair).

An hon. Member: And the hon. member for Comox-Alberni (Mr. Gibson).

Mr. Green: I would not call the hon. member for Comox-Alberni a supporter of the government. There is some doubt about it, but he is supposed to be independent.

Mr. Gibson: That is right.

Mr. Fraser: In spots.

Mr. Green: If this amendment is defeated, I can only warn the people of British Columbia and the people of Canada that in this fight we have done our best to protect them. The responsibility for any failure to make this pipe line an all-Canadian line, and to have it serve Canadians first, from now on rests squarely on the shoulders of the Prime Minister, the Minister of Trade and Commerce and the members of this government.

I move, seconded by the hon. member for Calgary West (Mr. Smith):

> That Bill No. 7 be not now read a third time but that it be referred back to the standing committee on railways, canals and telegraph lines for the purpose of reconsidering the amending of the bill so as to provide that any pipe line built by the proposed company from Alberta to the Pacific coast must be by an all-Canadian route.

Alberta Natural Gas Company

Mr. H. W. Herridge (Kootenay West): I rise, Mr. Speaker, to support this amendment. I have not spoken a great deal in this debate; but in its concluding stages I just wish to make a brief review of the situation from our point of view. The amendment is:

That Bill No. 7 be not now read a third time but that it be referred back to the standing committee on railways, canals and telegraph lines for the purpose of reconsidering the amending of the bill so as to provide that any pipe line built by the proposed company from Alberta to the Pacific coast must be by an all-Canadian route.

That contains the germ and meat of this whole debate. I trust that when the amendment is voted on we will find a good number of hon. members who have learned sufficient from the debate and who think enough of Canadian rights to support it.

In the early stages of this debate, when I think only one member of the group to which I belong had spoken, and that briefly, the Minister of Trade and Commerce (Mr. Howe) accused us of filibustering. That indicated that the minister was annoyed with even a few members of the house making speeches in opposition to these bills. Although we have been accused repeatedly of filibustering, there is no question about it that the debate has since become thoroughly respectable. Why has it become thoroughly respectable? It has become thoroughly respectable because this government and a good number of the members who support the government realize that we are saying what the people of British Columbia want us to say.

A very interesting aspect of the debate has been that it is on a non-partisan basis. Members of all parties have expressed opposition to the bills. A good number of members of the party to which I belong, a large number of members of the Progressive Conservative party, as well as members of the Liberal party, including the well known hon. member for Comox-Alberni (Mr. Gibson), who as it were represents a position between the opposition and the government, and also the hon. member for Medicine Hat (Mr. Wylie), who represents the Social Credit party and who said that he and his group would refuse to vote for the bills until they knew where the pipe lines were going, have all indicated opposition to these bills.

The Prime Minister (Mr. St. Laurent) has termed this a protracted debate, but I am sure that the debate has been of value. What has this debate accomplished? In the first place, a large number of members of this house from provinces other than British Columbia have been informed of the real situation and the facts surrounding the incorporation of these companies, the routes proposed and so on. Secondly, without doubt it has informed the people of British Columbia and the people of Canada that if there had not been a minority in this house willing to continue the debate, against the opposition of ministers and other supporters of this government, the people of this country would not be as alert as they are at the present time to the seriousness of this situation. That is indicated by the support we have received and which has increased as the debate has continued. Neither the right hon. minister nor any member on the government side of the house has disputed the statement that the great majority of the people of British Columbia support the views we have been placing before this house.

There is another thing this debate has done. It has indicated to all members of the house, whether on the government or opposition side, that we require an entirely new approach when we come to deal in the future with disposal of our great natural resources. The present federal and provincial legislation has proved to be totally inadequate and obsolete and unable to deal with the proper distribution of these valuable natural resources. This debate has proved also to the people of Canada that there are men elected to the House of Commons who are willing to express an unpopular point of view, unpopular in the house but not unpopular in the country, when they believe it to be in the interests of the Canadian people.

Protracted as this debate has been, it has caused the people of British Columbia to express their opinion in no uncertain terms. I think this debate has proved the value of our parliamentary system and institutions. It has proved the right of a minority to talk as well as the right of a majority to vote them down. In having done that, I think a valuable public service has been performed.

When the motion for second reading of this bill was under discussion we were told repeatedly by members on the government side that we should discontinue the debate and let the bill go before a committee, that once it got into committee we could ask all the questions we wished and obtain all the facts. I was one member of this house who did not swallow that argument because I have seen bills go to committees before. I realized that when you get into a committee you are not quite as able to defend yourself as when you are in the house. That is exactly what happened when this bill went to the committee.

I think any fair-minded person reading the evidence, even though he was not present at the committee meetings, will realize that in effect a closure was placed upon the proceedings. We were allowed to examine only

two or three witnesses from one company and there were several members of the committee who had a number of questions to ask of those witnesses but who were not allowed to do so because of the closure placed upon them by way of a motion by the sponsor of the bill that the questioning should be discontinued at a certain time. All hon. members of the house know what happened and I think a good number of government supporters realize that the minority in that committee were treated most unfairly by the majority. The result is that we will have to vote on the third reading of this bill without all the facts. In my opinion if we had been spending the time in the committee that we have been spending in this house since the committee made its report the members of the house would be in a much better position to judge the merits of the case.

I support the amendment moved by the hon. member for Vancouver-Quadra (Mr. Green). I shall not attempt to repeat the arguments so ably presented by the hon. member. This amendment is designed to protect Canadian interests, to protect Canadian natural resources, to protect the Canadian people by making certain that Canadian needs are taken care of first before these natural resources are exported from Canada. That is done in the amendment by insisting on the building of an all-Canadian route.

While I am in favour of an all-Canadian route I am one of those who think that the most suitable route is through the Crowsnest pass. However, I am not going to attempt to deal with this or that route at this time. What we are concerned with now and what we have been fighting for for some months is whether this pipe line should be built along an all-Canadian route.

This amendment would not be necessary if the Prime Minister would assure the house that he would guarantee the building of an all-Canadian route. The other day he mentioned if it were practical and feasible. I am sure that the members opposing these bills would be satisfied if the Prime Minister were to say that if it was at all possible and reasonable to build an all-Canadian route, it would be done. This amendment would not be necessary if the Prime Minister or the Minister of Trade and Commerce would propose an amendment to the Pipe Lines Act to provide for the building of gas and oil pipe lines on all-Canadian routes before leaving Canada.

If the Prime Minister (Mr. St. Laurent) or the Minister of Trade and Commerce (Mr. Howe) could give us an assurance on one or both of these proposals this debate would terminate immediately. I have expressed my views briefly as to the amendment moved by the hon. member for Vancouver-Quadra (Mr. Green).

I want to deal with another aspect of the situation which has not been touched upon this evening. I refer to the question of tolls and tariffs to be paid by consumers for gas or oil. During the meetings of the standing committee Mr. Dixon of the Alberta Natural Gas Company presented certain evidence which indicated that it would cost Canadian consumers more if an all-Canadian route were built. I was not convinced by his evidence. We had no opportunity to secure evidence from other companies or even from experts in the employ of the government who I understand are very well informed and would have been of great assistance to the committee.

On that point I should like to say that fundamentally I support the views presented to the house this afternoon by the hon. member for Rosetown-Biggar (Mr. Coldwell). This debate and the circumstances surrounding the incorporation of these pipe line companies have convinced me more than ever that the only final solution to the building of gas and oil lines, and the distribution of natural resources of that type in Canada at this time, is public ownership. I am quite sure that under such a system we would not run into the difficulties we have encountered in this debate. We would not run into a variety of conflicting interests. The pipe lines would be built, as the hon. member for Rosetown-Biggar suggested, as a result of co-operation between federal and provincial governments, and would be built primarily to serve the interests of Canadian consumers. If we had public ownership of pipe lines, and there was a slightly higher cost for some time to Canadian consumers in Vancouver or elsewhere on the Pacific coast as a result of following an all-Canadian route, I am quite sure that cost would be readily borne by such consumers because the Canadian people would know that any profits derived from the pipe line would go towards the social services of the country or to the exchequers of the federal and provincial governments.

This government, however, does not see fit to support public ownership of the transportation of oil and gas at this time. Therefore I think it is necessary for us to consider the interests of the consumers. That point was raised by Mr. Dixon, and how quickly it was seized upon by members supporting the bill. Strangely enough not one of them had thought of it up to that time. Then because Mr. Dixon said that it might cost a few cents more some of my good friends opposite clasped it to their bosoms and have expounded it ever since. It is the only argument they have had since the

debate started. We know that these pipe lines, whether they be gas or oil, will be under the control of companies with dominion charters, and therefore will not come under the control of the public utilities commission of the province of British Columbia so far as tolls and tariffs are concerned. The debate has also brought to the attention of members of the house and the people of the country generally the necessity for some legislation in that respect to protect consumers. While we are first of all anxious for a Canadian route, members on this side of the house, and I am sure some hon. members on the other side, are anxious to see the Canadian consumer protected. In view of the rather loose evidence presented by Mr. Dixon on behalf of the Alberta Natural Gas Company, we consider that we must, while insisting on an all-Canadian route, protect the Canadian consumer. Therefore I am going to propose an amendment to the amendment moved by the hon. member for Vancouver-Quadra. I move:

That the amendment be amended by adding thereto, immediately after the last word thereof, the following words:

"and also so as to provide for the regulation of the tolls and tariffs of the proposed company for the protection of Canadian consumers."

In conclusion I trust, Mr. Speaker, that when the vote is taken on the amendment to the amendment, and on the amendment, members of the house will accept their responsibility and protect the interests of the Canadian people so far as route and tolls and tariffs are concerned.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, I rise to support the amendment and the amendment to the amendment, but also for another purpose, to answer the contemptible and entirely unwarranted suggestions advanced this afternoon by the Minister of Trade and Commerce (Mr. Howe) with respect to certain of the matters that have been brought to his attention. I refer particularly to his suggestions with regard to some of the telegrams which reached him from the ordinary consumer, the ordinary man in the communities of British Columbia which are so vitally concerned in this matter.

It will have been noted that in his remarks this afternoon the Minister of Trade and Commerce did not refer to our suggestion that the main Pipe Lines Act be amended to make the same provision for all companies, namely, that any company incorporated should be required to build its route to the Pacific coast through Canadian territory. He obviously and deliberately avoided referring to that contention but he did deliberately, and from the outset, suggest that the efforts to provide a Canadian route were made as a result of approaches to members of the house and to the individuals from whom he received telegrams by agents of one company in particular. I can only conclude from the totally unwarranted suggestions put forward by the minister this afternoon, and the malevolence of the motives he imputed to members of the house as well as to the individuals who had sent him telegrams, that he is so steeped in the methods of big business that he cannot conceive of any small man acting independently. It seems to me that the conclusion to be drawn from his remarks is that he is so accustomed to the power plays of power politics that he cannot credit that the small man would rise up and act, although independently nevertheless in unison, to protect the interests that he conceives to be vital to himself and his community.

Because I had some part—and I am proud of it—in the suggestion that these telegrams be forwarded to the minister I believe that I must rise in defence and explanation of the motives of those who sent him at least some of the telegrams to which he has referred. I have no hesitation in saying again what I said to the minister this afternoon, that during the week immediately preceding last week I was home in my constituency, and I suggested to as many as I could reach personally and over the radio that they should wire individually and collectively to the Minister of Trade and Commerce while he was in Vancouver. I have here a letter from the president of the Blue River board of trade of my constituency which indicates the spirit in which these telegrams were sent. It is a complete answer to the suggestion of the minister that they were sent as a result of approaches, and in fact as a result of some sort of payment by an official of one or other of the companies concerned in this matter. The letter is dated at Blue River, British Columbia, on May 8, 1950, and is addressed to myself. It reads:

I have been going to write you for some time to thank you and some of the other members, who have been putting up such a valiant fight for our all-Canadian pipe line route.

The next paragraph has a complimentary word for me and one or two other hon. members, and then the letter goes on:

As you may know, the Kamloops board of trade and junior chamber of commerce have called a joint meeting for tonight in Clearwater, with another meeting in Kamloops tomorrow night.

The object of these meetings is to stir up interest and to have the individuals and organizations flood Hon. C. D. Howe with hundreds of telegrams, while he is in Vancouver. Our committee handling this canvass have met with great success, and have handed me fifty-five telegrams already, with still more to come. These will be dispatched to Mr. Howe, spread over the three days, namely 9th and 10th and 11th of this week. While they may not have

the result we expect, it will at least show him where we stand, and with the issue seeming to swing our way, it may do a lot of good.

By the same token, I feel that our success here in gaining so much support will have a bearing on the meeting tonight, in that it may encourage the members of the other three boards to also get right behind the idea, and get their own telegrams going.

I have also wired the McBride board of trade, chamber of commerce, Jasper, board of trade, Edson, and the chamber of commerce, Edmonton, advising them of our action, and asking for their active support. Have just received a reply from McBride, saying they were right behind us.

I should point out that McBride is in the constituency of Cariboo.

Mr. Goode: Would the hon. member answer a question?

Mr. Fulton: If I may just conclude these letters, I shall be glad to answer any question later. The other letter is dated May 10, 1950, and is from the same source. It encloses a copy of the resolution sent to the Prime Minister (Mr. St. Laurent), and this postscript is added:

This copy sent to you for your information, in case there should be a chance to bring the matter up during debate.

Our meeting in Clearwater Monday was most successful, over 150 people there, from which fifty telegrams were dispatched to Hon. C. D. Howe at Vancouver. May say we did even better here—

That is, at Blue River.

—some sixty-five individual telegrams being dispatched to the hon. gentleman. I haven't yet received a report of the Kamloops meeting, but it will be in the newspaper tomorrow morning.

Mr. Howe: May I ask my hon. friend who paid for the telegrams?

Mr. Fulton: I will tell my right hon. friend who paid for the telegrams. The people who sent them paid for them. If the right hon. gentleman thinks the president of the Blue River board of trade, who is what I might call one of the small men of a small community in British Columbia, who is vitally affected by this whole issue, is the paid agent of one of these pipe line companies, as he deliberately suggested this afternoon, I say the suggestion is entirely unwarranted and utterly contemptible.

Mr. Howe: I made no such suggestion.

Mr. Fulton: That was the suggestion the right hon. gentleman deliberately made this afternoon.

Mr. Goode: Would the hon. gentleman answer my question now, as a matter of information? How many people live in Blue River, and how many in Clearwater?

Mr. Fulton: That is a very interesting question, Mr. Speaker. It is typical of the attitude we are fighting here. This is big interests against little interests. There are only some five hundred people living in Blue River, and only some 180 or so in Clearwater. There are only some twelve or fifteen thousand people in Kamloops and North Kamloops. There are far fewer people living in Canada than in the United States, but by the argument the hon. member has just suggested we should sell out our interests because not as many people are concerned here as in the United States.

Mr. Cruickshank: Will the hon. member permit a question? Has he any idea how many employees Kelly-Douglas have in the province of British Columbia?

Mr. Fulton: I am sorry, I have not.

Mr. Goode: On a point of order, Mr. Speaker, this is a personal matter which I do not think the hon. member for Fraser Valley (Mr. Cruickshank) should bring up in this house. I think it was a contemptible question. He is referring to a firm with which I am associated, and he has no right to do that.

Mr. Cruickshank: There is no point of order about it. I had a perfect right to ask that question.

Mr. Speaker: Order. There can be only one point of order at a time, and I do not know which point the hon. member for Fraser Valley is referring to. Perhaps we had better hear the hon. member for Kamloops.

Mr. Fulton: I regret that I have no information as to the number of people employed by the company to which reference has been made. Without in any way trying to minimize the importance of the point I must simply say I do not have the information. If I may I should like to conclude my remarks, and in doing so I repeat what I said a moment ago, that we are fighting the battle of the smaller communities; in fact we are fighting the battle of the less populated provinces. British Columbia has a smaller population than the aggregate of the population of the areas of the United States which the bill before us is primarily designed to serve. But we say steps must be taken by this House of Commons and this government to see to it that the resources of Canada, the power resources and the material resources, are preserved for this country so that our economy may be built up to a point of equality with that of the United States. But if we are to be continually condemned and betrayed by the principle that because they are bigger than we are, that because they have a bigger market than we have, therefore that market must be served first, we will never build up the Canadian economy; we will never build

this nation into what you, Mr. Speaker, and I and most members of this house want to see it become, a great nation in our own time.

In conclusion I can only say that the attitude revealed this afternoon by the Minister of Trade and Commerce is in keeping with his attitude throughout when this question of Canada first is brought up in connection with oil and gas pipe lines. We heard a reference the other day to what the minister said in Vancouver when reporters asked what his attitude was toward the route of this pipe line; he told them to go to hell. That is just a carry-over from what he told the people of Port Arthur and Fort William last year when the oil pipe line was being considered. When a delegation waited upon the minister he told them this talk of Canada first and the national interest was all nonsense. He went further. I am reading now from a report which appeared in the Fort William *Times-Journal* of October 18, 1949, which reads in part:

> Verbal battle in P.A. council over pipe line.
>
> The oil pipe line issue erupted in sudden and violent explosion at last night's finance meeting of Port Arthur city council.

Then it details pros and cons of that dispute, and continues:

> The outburst was touched off by a report given by Alderman R. A. Robinson of last Saturday's meeting of the joint industrial committee with Mr. Howe. Alderman Robinson, who unsuccessfully contested the last federal election against Mr. Howe for the Progressive Conservative party, gave the report "since I was the subject of most of the abuse when we interviewed Mr. Howe."

I should say this was a joint delegation from the cities of Port Arthur and Fort William to try and persuade the minister to route the oil pipe line to the Canadian lakehead ports instead of to Superior in the United States. The report continues:

> Alderman Robinson continued, "We both used barroom language—which Mr. Howe seems most familiar with."
>
> "I think he (Mr. Howe) neglected the interests of Canada and especially of the lakehead people."

Mr. Howe: The lakehead people neglected Mr. Robinson.

Mr. Fulton: They will not do it again, I am sure. I notice he is still an alderman. Admittedly he does not move in such exalted circles as the minister, but he is still an alderman of his city.

Mr. Speaker: Order. I do not think the hon. member should read from a dispatch stating that an hon. member of this house is accustomed to using barroom language. He would not be allowed to use that language if the hon. member were speaking in the house, and he therefore should not read a document containing that expression.

Mr. Fulton: Well, Mr. Speaker, I shall not read those remarks describing the type of language which the minister is supposed to have used. I shall read a portion quoting directly what the minister said:

> Alderman Humby (a member of the Progressive Conservative executive) co-chairman of the joint industrial committee, who was also at the conference with Mr. Howe, followed. He said he was "disappointed" at the reception they received "and he (Mr. Howe) asked us if we were a bunch of damn fools . . ."

I read that, Mr. Speaker, because it is a report of an interview dealing with the same sort of subject we are dealing with tonight, when a delegation waited upon the minister and asked him if he would preserve the policy of Canada first. Those are the words which the minister used to that delegation to describe his opinion of the efforts they were making. I conclude by saying that, in view of the minister's attitude expressed this afternoon, and his reaction to the telegrams which were addressed to him by the ordinary people of the interior of British Columbia seeking to preserve their interests and to promote the interests of the province and the country—when he uses here the same type of description to us as to what he thinks of their approach as he used in Port Arthur, I can only conclude that if we in this house do not write into the bills a provision to protect the Canadian route, we cannot expect Canada's national interests to have any more protection at the hands of the government and the Minister of Trade and Commerce, who is the minister most vitally concerned, than the national and local interests received in the case of the oil pipe line which the Port Arthur delegation discussed with him.

Mr. A. L. Smith (Calgary West): Mr. Speaker, I shall not keep the house long; I intend to confine my remarks to one aspect of this matter. From the beginning I have taken the position that the only thing that lies between us is a statement from someone that this line should be built on Canadian soil. This afternoon the Minister of Trade and Commerce went far afield with respect to that argument. I have in my hand an exhibit filed by this Dixon outfit in connection with an application before the Alberta gas conservation board. The application is dated in August, and it was presented last October.

Among the exhibits which were filed at that time, there was a map showing their grid system, which is a gathering system. The grid system, of course, runs from Pincher Creek north, and then in black is shown the projected transmission line of the Alberta Natural Gas Company. We find it runs from Pincher Creek to—where? To Kingsgate on the international boundary; and it goes no further in the Dominion of Canada. Let us

have an end of this nonsense about some transport board being given five or even six lines, and then saying, "Pappy, where do we build the line?" Things are not done in that way. They never have been done that way by the transport board, or any other responsible board.

Then, it was implied by the minister this afternoon that he had discovered some kind of racket in connection with the Sunray Oil Company. Mr. Dixon, who frankly admits that he does not own a barrel of oil or a foot of gas, filed this document which I have as an exhibit to his application, which is in printed form. I shall not bother about it, but in his exhibit at least half or three-quarters of it is taken up by a recitation of issues handled by these companies. I shall read it:

A list of issues managed by either Morgan Stanley and Company, Moore, Leonard and Lynch, W. C. Langley and Company or Dominick and Dominick, since the end of world war II (V-J day, August 14, 1945).

Then, the minister had the effrontery to tell this House of Commons this afternoon that this was a racket being engineered by the Sunray Oil Company. These people, his friends, go to the Alberta board and what do they say? They financed the Celanese Corporation, $40 million and $7,800,000; the Boston and Maine Railroad; Alexander Smith and Sons—I am glad I am in that—$5 million; Peninsular Telephone Company; Shell Union Corporation; Standard Oil, $85 million; Socony-Vacuum Oil Company, $100 million; Commonwealth of Australia, $20 million; Columbia Gas and Electric Corporation, $77 million; the Heinz people were in for $10 million and $8,200,000; Commonwealth of Australia, $25 million; Northwestern Utilities Company, $4 million—I am just skipping along —the Commonwealth of Australia; Union Bag and Paper Corporation; Tidewater Power Company, that is only $580,000; the Dayton Power and Light Company; Philadelphia Electric Company; Standard Oil Company of New Jersey, $150 million; Canadian Pacific Railway Company, $19,500,000; Indianapolis Water Company; Johnson and Johnson; Peninsular Telephone Company; Standard Oil of Indiana, another $50 million; Onondaga Pottery Company, a half million; Government of Canada, $150 million; Shell Caribbean Petroleum Company, $250 million; Standard Oil, another $75 million; the Heinz Company, that is where you get your ketchup, $15 million; Western Fruit Express Company, and so on. There are twelve more pages headed:

List of issues managed by others in which either Morgan Stanley and Company, W. C. Langley and Company, Moore, Leonard and Lynch or Dominick and Dominick participated since the end of world war II (V-J day, August 14, 1945).

Those are the people named by Dixon as the people who are going to finance it; yet the Minister of Trade and Commerce accuses the Sunray Oil Company of California of putting up a lot of money to Pacific Petroleum, a Calgary and Vancouver crowd, who own at least fifty oil and gas wells and who are spending large sums of money in Alberta—he has the nerve to say that these people, friends of mine, are being operated by one small American oil company, the Sunray company, when that same outfit which he is backing—I use the word deliberately—in their application take over half of it to show that Morgan, Stanley and Company have got more money than anybody else in the world. For shame; of all things to find a minister of this government trying to pull off a "sandy" like that on people who are even half intelligent.

Mr. Howe: The hon. member had better get his friends to tell him the story about that situation.

Mr. Smith (Calgary West): You can tell it now, and I will match you. Let me say this, Mr. Speaker. There is a man by the name of Kilbourne, who is now retired, but who for a great many years was the chief engineer of the board of transport commissioners, to whose engineering staff everybody tells us we will just leave the matter. He gave evidence in Calgary and I heard him. He, sir, knows more about the mountain country in western Canada than any other engineer. He says a pipe line by the northern route can be built, and that there would be no trouble with it at all. I am not going to any United States crowd; I am using the name of the man I mentioned, namely, Kilbourne. I have talked to him myself. He says on oath that this is not only feasible but quite practicable from its beginning in Edmonton west to—I do not know how to pronounce the name—

Mr. MacDougall: Tete Jaune Cache.

Mr. Smith (Calgary West): I am very happy, but I cannot say it even now; but from Tete Jaune Cache down the north Thompson, to Kamloops, then down to Princeton, from Princeton to Hope and into Vancouver. I promised you, sir, that I would be brief, and I intend to be that. I am trying to make this simple and plain. I seconded the amendment with my full approval because, in spite of what the minister said this afternoon, this line must be approved as government policy before the board of transport commissioners will or can issue any order. That being so, and it being a matter of government policy at that time, why in the name of conscience cannot the House of Commons be taken into

the confidence of the government instead of having the board of transport commissioners taken into that confidence?

Many people have asked: Why do we do this? Everybody overlooks one thing. Are we just supposed to sit here and put the stamp of approval on it? The government said—and this is so true—the real reason why we passed the Pipe Lines Act making it necessary for people trying to carry gas to be incorporated by the House of Commons is this. They have the right to expropriate property. Are we men in this house going to issue to anybody a right carrying with it the power of expropriation without having some idea where that expropriation is going to be done? Remember, sir, that by incorporating a company with these powers we cast aside, we tear to pieces, the right of any individual where these people wish to cross his property with their pipe line. That is the reason we brought this to the House of Commons. That is the reason why we are not rubber stamps. The reason is that we are giving to any company a most extraordinary power, the right to go up on your land and take it away from you. It is true that things will be settled by boards of arbitration and so on; but the minute we pass these bills here we give the right to these people to expropriate. It is true they have to get over their hurdles, but we give them the basic right of expropriation of property. That is the real reason and we knew it when the pipe lines bill was passed. That is the real reason we required them to come to the House of Commons.

I will say no more than this. Is it reasonable to suppose that we are sitting here unconcerned? Let us credit all of us with the idea that we are seeking to do the best we can for our country. Let us permit the difficulties that we have had with one another to resolve themselves into the great fact that we are here to do good for Canada. That being so I stand firmly behind the amendment which I have seconded, and simply say to this company, build your pipe line where you will, but you will build it in Canada. That is the issue. There is no issue other than that before us at the present time.

Mr. Dixon said that he had five routes, and if the suggestion of the hon. member for Edmonton West (Mr. Prudham) is correct, he is now going to explore a sixth. Let him do so; that is fine; he has lots of time. But let us say to him and to everybody else, including the company which got the charter last fall: Go ahead and compete with one another. Go before the two boards, the one in Alberta and the one here. Prove to these boards that you are able to do it. Prove to these boards that you have the money to do it. I think I have read a list of names which will convince you about one company. But prove to them in competition that your claim is better than the other fellow's. I will go with that one hundred per cent. I said that when I began. I have said nothing to the contrary. I say it now. But I do say, having been born in that western country, the only place and the only life that I know well, that I have watched it struggle from the days when my grandparents hauled wheat by horse 14 miles into Regina and sold it for 50 cents a bushel, and incidentally retired in some comfort on that basis. I have watched it grow, and here today what are we doing? We are passing a bill. I do not say that the board of transport commissioners will not stop this, and I will not say that they will not stop that; but I do say that unless this line goes by a Canadian route you can kiss the Peace river and the interior of British Columbia good-bye, so far as your life and mine are concerned, sir. So I simply put it on this basis. Even I may be wrong in the things I have said today. I think the minister was wrong. I do not think we should drag—what is the expression?—red herrings across the trail.

Mr. MacDougall: Dead cats.

Mr. Smith (Calgary West): Did the hon. member say "nightcaps?" I don't drag those, I swallow them. I do not think we should be disturbed by little complexities, by devious stories and devious arguments that are introduced. To my mind it amounts to this. Are we now in favour of a Canadian route? Do not let us worry about engineering niceties. The hon. member for Burnaby-Richmond (Mr. Goode) got a figure from Mr. Dixon which indicated that it was going to cost the people of Vancouver $700,000 more for their gas. Mr. Dixon talked a good, shall I say, pussy. I think he would be good at playing darts or something of that kind. There is no evidence before the house that anything like that will follow. On the other hand, if you want to go to the sworn testimony given in the city of Calgary in the province of Alberta lasting over a matter of a month, given before three experts, the deputy minister of mines, Mr. McKinnon, Professor Gauvreau and an engineer by the name of Goodall, you will find that this other company put all their cards on the table. They were cross-examined by Mr. Dixon's lawyer, a great friend of mine, Mr. H. G. Nolan, K.C., who conducted prosecutions in Tokyo on behalf of this government. These men are not without assistance. They are not without help. In this committee no one was allowed to call evidence. But I pass that over. That was just a bit of steam

rollering done by the hon. member for Winnipeg South (Mr. Mutch), ably assisted by the hon. member for Vancouver Centre (Mr. Campney). They worked it; I mean, they got by. Let us forget all that. Let us come back to this point. Irrespective of all the difficulties we have had with one another, this amendment has been so drafted that we can at least in this house stand up and be counted as we vote on this question: Do we say this pipe line must be built on an all-Canadian route or do we not? Having said that, Mr. Speaker, I shall conclude by saying that I hope that soon we shall be counted.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, after an extended debate a vote is going to be taken on this bill. With the moving of the third reading of the bill, it would have been quite possible to extend the debate for some considerable time by amendment and by subamendment; but the purpose for which this debate has been carried on has been fulfilled. The people of this country, particularly in those areas that are directly affected, have had an opportunity to find out what is actually behind the bills that are before the house and what the real considerations are. To an extent that should be encouraging to everyone in this house, we have seen some evidence of democracy actually working. In what has taken place there may be a suggestion that could be followed in other cases. Because of the very fact that the bills have been before the public, the public have had an opportunity to express their opinion; and that opinion has had some effect, even if not the full effect that we might have wished.

Certain things, however, now emerge clearly. I for one welcome the fact that the vote will be taken soon. The facts are all out in the open and, when third reading came, all that remained to be done, in addition to the actual wording of the amendment and subamendment, was to deal with the completely misleading statement made by the Minister of Trade and Commerce (Mr. Howe) this afternoon. Because of the statement he has made, it is necessary to point out that neither the Prime Minister (Mr. St. Laurent) nor the Minister of Trade and Commerce (Mr. Howe) has admitted to this house what the actual fact is, namely that the government must decide where the pipe line is going to go in every case where any question of export is involved. That is a responsibility that the government cannot escape. It is a responsibility the government must assume before the board of transport commissioners even have it within their power to deal with this matter.

When the Minister of Trade and Commerce made this suggestion that those who were urging a clearly-stated policy of "Canada first" in the development of these resources were being prompted by some particular interest in the United States, he made a suggestion that was utterly unworthy of any minister of the crown or of any member of this house. But what is more, he went on to give a completely erroneous impression of what the situation actually is. With his usual modesty, he informed the house that he was responsible for the Electricity and Fluid Exportation Act. That being so, he should be a little better informed as to what that act means and what it contemplates. I have no intention of repeating what I said to the house a few nights ago, except to read once again sections 5 and 6 of the Electricity and Fluid Exportation Act of 1907, which is still the law that governs the permission to place pipe lines where exportation is involved. Even if the government at this late hour would give the assurance requested and would follow the course which has been suggested—which would protect Canadian interests—the government know perfectly well that in any event they must assume the decision in relation to a company that intends to export. We all know that. What we have been emphasizing is the fact that while legitimate export should be permitted, the first consideration is to make sure that Canadian interests, not for today but for the years to come indefinitely, will be protected.

The hon. member for Regina City (Mr. McCusker) this afternoon placed his finger on a point that I believe should be in the mind of every hon. member. He pointed out that there were certain estimates that, with the contemplated use of this gas, the supplies would provide gas for fifty years to come. Fifty years may seem a fairly long time in the years ahead; but fifty years is short in the life of a nation. We want to make sure that these great reserves of power are available for Canadians for fifty years, for a hundred years, for a hundred and fifty years, during the period of growth long past the time that any one of us here will be directly concerned with what happens. Any present estimate of fifty years' supply is probably an overestimate, when one recognizes the fact that, with every type of power that has been used in the past, the use of that power during the years has always increased more rapidly than was anticipated. The main concern here is to make sure what our maximum possible requirements would be and then to make certain that nothing will be done that will limit our own development in the future.

The hon. member for Regina City made remarks with which I for one could agree completely, until his very last words, when he said that because of his complete confidence in the government, while recognizing this danger, he is prepared to entrust this whole matter to them. One reason why the hon. member for Regina City (Mr. McCusker) and other hon. members should ask for greater assurances than they have is that they have not been taken into the confidence of the government. The law still stands and the statement of law is to be found in sections 5 and 6 of the Electricity and Fluid Exportation Act of 1907. I ask those members who have so loudly applauded the statement of the minister that the board of transport commissioners will decide and that they are competent to decide to listen to what the law really is. It is stated in clear and simple terms which demand no legal training for easy understanding. Section 5 reads:

> No person shall export any power or fluid without a licence, or any power or fluid in excess of the quantity permitted by his licence, or otherwise than as permitted by such licence.
>
> 2. No person shall, without a licence, construct or place in position any line or wire or other conductor for the exportation of power, or any pipe line or other like contrivance for the exportation of fluid.

That section deals with the granting of licences, but that is not a licence issued by the board of transport commissioners. The licence and the way you get it are described in section 6, which reads:

> Subject to any regulations of the governor in council in that behalf, the governor in council may grant licences, upon such conditions as he thinks proper, for the exportation of power or fluid where a right to export exists by lawful authority.
>
> 2. Such licence shall be revocable upon such notice to the licensee as the governor in council deems reasonable in each case.

The moment that export is involved the law states that a licence must be obtained from the government. Already there have been two judgments by the board of transport commissioners which have stated definitely that they cannot and will not deal with an application by a pipe line company until a licence has been issued by the government. The first and effective decision as to where a pipe line is to go must be made by the government before the board of transport commissioners can deal with the matter at all.

That being the situation the government is charged with full responsibility. If the government is going to accept that responsibility, as it must, then it is the government which must decide whether a Canada first policy is to be adopted. If it is the intention of the government to adopt such a policy, then that policy becomes automatically binding upon the board of transport commissioners because the government can state that as a condition of the licence which must be obtained before the board can even deal with it.

When the minister suggests that this is an attempt to give special advantage to the company which obtained a charter last year simply because this house was not fully informed of the circumstances—that was the situation—he is completely ignoring the fact that from the very beginning we have been insisting that this be the over-all policy and that the government has it within its powers to deal with this in a very simple way.

Every hon. member who has listened to the debate knows that we have stated on a number of occasions that this can be dealt with very easily by introducing an amendment to the Pipe Lines Act, the act under which an applicant company must obtain its charter. All that is necessary is for the government to introduce an amendment to the Pipe Lines Act stating definitely in simple terms that every charter granted under the act will be subject to the condition that Canadian interests must be served first before there will be any export of gas or oil from this country.

Surely nothing could be simpler. I hope no member opposite or any hon. member will suggest that this is an impractical proposition because the Prime Minister (Mr. St. Laurent) had this in his mind when he spoke on this subject on May 5, as reported on page 2230 of *Hansard*. The Prime Minister said:

> I suggest that unless and until we come to the conclusion that the board of transport commissioners cannot be entrusted with that kind of responsibility, because we do not feel that they are either competent enough to do it properly or sufficiently imbued with the spirit of the Canadian people to want to do it properly, the thing for us to do is to amend the Pipe Lines Act in a manner that will apply to every company that secures a charter for a pipe line and not in a manner that will discriminate in favour of one against another. Perhaps one has to say in words what one wants to have regarded as plain. I am speaking as one of the members of the government, and I want to make it plain that I have sufficient confidence in the board of transport commissioners to vote for the passage of these bills. I am not asking anyone to follow my example, but I am suggesting that my reason for doing so is not because I am determining where the pipe lines are going to be built but because I feel that the board which parliament selected only a year ago to discharge that responsibility is competent to do so, and will discharge it in a manner that will do justice to all Canadian citizens.

That statement was applauded by those who thought that the Prime Minister was explaining how the procedure actually works. In fact he was not explaining what the procedure is. The Prime Minister said that his reason for doing so was not because he was determining where the pipe lines are going to be built but because he felt that

the board which parliament had selected only a year ago to discharge that responsibility was competent to do so. There is the law, and the Prime Minister and his colleagues in the government must decide where the pipe line is going to be built before the board of transport commissioners can deal with the matter.

It is not a case of having confidence in that board. Even at this late hour all the bitterness of debate, all the suggestions that one motive or another was guiding any argument, could be completely removed by the government by the simple and effective device of introducing an amendment to the act which would state as a principle applying to every company the proposition that we are going to assure to our own people the use of these resources which Providence has given us before they can be exported to a neighbour which, friendly though it may be, would be the very last to expect us to do something that they themselves have never done when their own primary interests were concerned.

The suggestion has been made that this would create a monopoly. The suggestion has been made that if members vote against these bills there will be a monopoly in favour of the company which has already received a charter. The Minister of Trade and Commerce knows that the Westcoast Transmission Company or any other company cannot get authority to proceed until the government has approved. He knows, as every other minister knows, that they can remove any question of that kind by adopting the simple proposal that I have been making, the one contemplated by the Prime Minister in the statement he made as recently as May 5. There is, however, danger of a very great monopoly. There is danger of a monopoly which would not serve Canadian interests. We want United States funds to be invested here for the development of Canada. We want risk capital to come into this country to advance the legitimate development of Canada in every way. This country, however, now possesses the initiative and the capital to assume the responsibility for some of these developments ourselves. Even now, forgetting what was said this afternoon, I urge the government to do what they can to meet the situation, and I urge those hon. members who have been so ready to applaud statements which were inaccurate to look at the simple law and to understand it.

As I said, we have seen democracy working in the house. We have seen democracy working in another way. Members of the house on the other side have been very comfortably brushing aside all arguments with the statement, "You saw what the people did on June 27." The government has a substantial majority, but the people are afforded opportunities from time to time to express their opinions and they expressed them today in no uncertain way. In both by-elections today Progressive Conservative candidates were elected with satisfactory majorities. It is certainly a matter of real satisfaction to see a young veteran of the last war succeeding the late Tommy Church, and with a majority increased to close to 5,000. It is also most satisfactory for a number of reasons to see that the majority against our candidate of over 3,000 was overcome in the other election in Hamilton, and that the house is to have a lady member because of the results today. These very substantial gains, approximately 4,000 in one case and 3,500 in the other, are evidence of the fact that the people of this country are not satisfied with the cavalier attitude adopted by the government to their interests since June 27 last. I hope, just as we have seen certain members here whose views on this subject were greatly influenced by what they heard when they went back to their constituencies over the Easter holidays, that others will realize this is the voice of democracy speaking, and that they have been given reasons to examine what has taken place.

The remarks of the Minister of Trade and Commerce (Mr. Howe) which I shall not repeat, and his assertion today that he proposes to retain the privilege of advising anyone to take a trip in the particular direction which he did a few days ago, do not meet the desires of the people, and should not meet the sense of responsibility of members of this house. We have before the house an amendment and an amendment to the amendment. The amendment to the amendment raises a point which every hon. member should take into consideration. Speaking for myself I propose to support the amendment to the amendment. It touches on a point which has already been mentioned but which it will be well to have dealt with by a vote. That is the fact that obviously, contrary to the opinion of many hon. members, the Pipe Lines Act does not give the board of transport commissioners any authority whatever to control tolls so far as gas pipe lines are concerned. Once the charter is granted and the licence approved a pipe line which is not competitive with any other line is not subject to an order of the board of transport commissioners in regard to tolls, as is the case with an oil pipe line. I think every hon. member, and particularly those on the government side, should ask why there is that omission, why it is that gas pipe line companies are going to be able to charge

whatever the traffic will bear, why it is that there is no authority given to the board of transport commissioners to say that tariffs on gas pipe lines will be dictated by the best interests of the people of Canada.

As to the main amendment it proposes that the whole bill, which obviously has not been understood as is evidenced by some of the remarks that have been made, should go back to the committee for further examination. This debate, Mr. Speaker, has been a long one. It has been regarded by many as an attempt simply to block the granting of charters. That has not been the purpose. There is still an opportunity to deal with this matter in the way that has been suggested, namely, by amending the Pipe Lines Act, and amending it in simple understandable words so that the interests of the Canadian people will come first, and every licence granted by the government upon which the board of transport commissioners can act—and they can only act then—will have that basic consideration as the very first requirement of the permission they obtain.

Mr. Howe: Mr. Speaker, I do not rise to take part in the debate but simply to ask you to consider whether either the amendment or the amendment to the amendment is in order. I would point out that the purpose of each seems to be to amend the Pipe Lines Act. The bills which now concern the house are simply measures to incorporate companies. I suggest it is quite out of order to tack on to the incorporation of a company terms that should, if they are applicable, be in the Pipe Lines Act itself. I also suggest that the debate, as it has developed this evening, is out of order in that the discussion has been on the Pipe Lines Act, which is not before the house at this time.

Mr. Green: On the point of order raised by the Minister of Trade and Commerce (Mr. Howe), I should like to point out that the amendment refers only to Bill No. 7. The amendment reads:

> That Bill No. 7 be not now read a third time but that it be referred back to the standing committee on railways, canals and telegraph lines for the purpose of reconsidering the amending of the bill—

That is Bill No. 7.

> —so as to provide that any pipe line built by the proposed company—

That is of course the Alberta Natural Gas Company.

> —from Alberta to the Pacific coast must be by an all-Canadian route.

Obviously the amendment refers only to the bill now under consideration and does not refer to the Pipe Lines Act. I admit that during the debate there has been some reference to the Pipe Lines Act but the amendment obviously refers only to Bill No. 7, and the subamendment, of course, does exactly the same thing. The subamendment reads:

> —and also so as to provide for the regulation of the tolls and tariffs of the proposed company for the protection of Canadian consumers.

Then I would point out, Mr. Speaker, that these amendments are covered by citation 811, to be found at page 306 of Beauchesne's third edition. That citation refers to standing order 113, which has to do with private bills. The standing order itself reads:

> No important amendment may be proposed to any private bill, in a committee of the whole house, or at the third reading of the bill, unless one day's notice of the same has been given.

Then the citation says:

> It is the correct course, in all cases where it is necessary to make material amendments, to refer the bill back to the select committee, to which it had been previously sent, instead of considering the proposed changes in committee of the whole.

That is exactly what is sought to be done by this amendment.

Mr. Speaker: I have been giving some consideration to the amendment and subamendment. At first I was under the same impression as the Minister of Trade and Commerce (Mr. Howe), that it was a general amendment; and if that were so, of course it would not be in order. Citation 710 reads:

> The question for the third reading is put immediately after the report from the committee of the whole. All amendments which may be moved on a second reading of a bill may be moved on the third reading with the restriction that they cannot deal with any matter which is not contained in the bill.

If this were a general amendment or referred to the Pipe Lines Act, or to the provisions of that act, I would take the position that was taken by the Minister of Trade and Commerce. Citation 708 reads:

> When a bill comes up for third reading a member may move that it be not now read a third time but that it be referred back to the committee of the whole for the purpose of amending it in any particular. The motion for third reading is debatable under standing order 38. Or the bill may then be ordered to be reprinted or committed to a select committee.

The motion in this case is to refer it to a select committee. Then citation 806 is as follows:

> Bills may be referred back for reconsideration. The same rule applies for private as for public bills. When the reference for reconsideration is made any instruction which the house deems necessary may be given to the standing or special committee which has reported the bill.

There is also the reference in citation 811, which has been read to the house. As I have said, it occurred to me at first that this was

an amendment in general terms, or that it referred to the Pipe Lines Act. The amendment reads:

That Bill No. 7 be not now read a third time but that it be referred back to the standing committee on railways, canals and telegraph lines for the purpose of reconsidering the amending of the bill—

That, of course, is the bill now before the house, not the general act. That is the only interpretation I can place upon it, after reading the amendment the second time and giving it consideration. Then it goes on:

—so as to provide that any pipe line built by the proposed company—

That does not refer to pipe lines built by any other company. As I say, I have been giving this matter some consideration; and while it might be called a borderline case I would hesitate to withdraw it from the house. I think it would be better if the house were permitted to vote on the amendment.

The question is on the subamendment.

The house divided on the amendment to the amendment (Mr. Herridge) which was negatived on the following division:

YEAS

Messrs:

Argue	Green
Balcer	Harkness
Black (Cumberland)	Harris (Danforth)
Blair	Herridge
Browne (St. John's West)	Jones
Casselman	Knight
Catherwood	Lennard
Charlton	MacInnis
Coldwell	McLure
Courtemanche	Murphy
Cruickshank	Pearkes
Diefenbaker	Sinclair
Drew	Smith (Moose Mountain)
Fleming	Tustin
Fraser	White (Hastings-Peterborough)
Fulton	Wright—34.
Gibson	
Graydon	

NAYS

Messrs:

Abbott	Carter
Anderson	Cauchon
Applewhaite	Cavers
Benidickson	Chevrier
Bennett	Cote (Verdun-La Salle)
Bertrand	Dewar
Beyerstein	Dion
Blackmore	Dube
Blanchette	Eyre
Blue	Fair
Boisvert	Fauteux
Boivin	Fournier (Hull)
Bonnier	Fulford
Bradette	Gardiner
Bradley	Gauthier (Lake St. John)
Breithaupt	Gauthier (Sudbury)
Brisson	Gauthier (Lapointe)
Brown (Essex West)	George
Bruneau	Gingues
Byrne	Goode
Carroll	Gourd (Chapleau)
Gregg	McIlraith
Hansell	McIvor
Harris (Grey-Bruce)	McLean (Huron-Perth)
Harrison	McWilliam
Henderson	Matthews
Howe	Monette
Huffman	Mott
Jeffery	Murray (Oxford)
Johnston	Murray (Cariboo)
Jutras	Prudham
Kent	Quelch
Kirk (Antigonish-Guysborough)	Ratelle
Lafontaine	Richard (St. Maurice-Lafleche)
Laing	Riley
Langlois (Gaspe)	Robinson
Lapointe	Shaw
Leduc	Simmons
Lefrançois	Sinnott
Leger	Stewart (Yorkton)
Lesage	Stick
Little	Stuart (Charlotte)
Low	Thomas
MacDougall	Tremblay
MacLean (Cape Breton North and Victoria)	Ward
MacNaught	Weaver
McCulloch	Welbourn
McCusker	Whiteside
McDonald (Parry Sound-Muskoka)	Whitman
	Winters
	Wood—100.

Mr. Smith (Calgary West): I was paired with the hon. member for Edmonton East (Mr. Macdonald). Had I voted, I would have voted for the amendment to the amendment.

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

Mr. Richard (Gloucester): I was paired with the hon. member for Royal (Mr. Brooks). Had I voted, I would have voted against the subamendment.

Mr. Black (Chateauguay-Huntingdon-Laprairie): I was paired with the hon. member for Huron North (Mr. Cardiff). Had I voted I would have voted against the subamendment.

The house divided on the amendment (Mr. Green) which was negatived on the following division:

YEAS

Messrs:

Argue	Green
Balcer	Harkness
Black (Cumberland)	Harris (Danforth)
Blair	Herridge
Browne (St. John's West)	Jones
Casselman	Knight
Catherwood	Lennard
Charlton	MacInnis
Coldwell	McLure
Courtemanche	Murphy
Cruickshank	Pearkes
Diefenbaker	Sinclair
Drew	Sinnott
Fleming	Smith (Moose Mountain)
Fraser	Tustin
Fulton	White (Hastings-Peterborough)
Gibson	Wright—35.
Graydon	

Alberta Natural Gas Company

NAYS

Messrs:

Abbott	Kirk (Antigonish-Guysborough)
Anderson	Lafontaine
Applewhaite	Laing
Benidickson	Langlois (Berthier-Maskinonge)
Bennett	Langlois (Gaspe)
Bertrand	Lapointe
Beyerstein	Leduc
Blackmore	Lefrançois
Blanchette	Leger
Blue	Lesage
Boisvert	Little
Boivin	Low
Bonnier	MacDougall
Bradette	MacLean (Cape Breton North and Victoria)
Bradley	MacNaught
Breithaupt	McCulloch
Brisson	McCusker
Brown (Essex West)	McDonald (Parry Sound-Muskoka)
Bruneau	McIlraith
Byrne	McIvor
Carroll	McLean (Huron-Perth)
Carter	McWilliam
Cauchon	Matthews
Cavers	Monette
Chevrier	Mott
Cote (Verdun-La Salle)	Murray (Oxford)
Dewar	Murray (Cariboo)
Dion	Prudham
Dube	Quelch
Eyre	Ratelle
Fair	Richard (St. Maurice-Lafleche)
Fauteux	Riley
Fournier (Hull)	Robinson
Fulford	Shaw
Gauthier (Lake St. John)	Simmons
Gauthier (Sudbury)	Stewart (Yorkton)
Gauthier (Lapointe)	Stick
George	Stuart (Charlotte)
Gingues	Thatcher
Goode	Thomas
Gourd (Chapleau)	Tremblay
Gregg	Ward
Hansell	Weaver
Harris (Grey-Bruce)	Welbourn
Harrison	Whiteside
Henderson	Whitman
Howe	Winters
Huffman	Wood—100.
Jeffery	
Johnston	
Jutras	
Kent	

Mr. Speaker: I declare the amendment lost. The question is on third reading. Shall the motion carry?

Some hon. Members: Carried.

Mr. Green: No.

Mr. Graydon: On division.

Mr. Speaker: Carried on division.

Motion agreed to on division, and bill read the third time and passed.

PRAIRIE TRANSMISSION LINES LIMITED

The house resumed, from Friday, May 12, consideration in committee of Bill No. 9, to incorporate Prairie Transmission Lines Limited—Mr. Benidickson—Mr. Dion in the chair.

[Mr. Black (Chateauguay-Huntingdon-Laprairie).]

Sections 1 to 11 inclusive agreed to.

Bill reported.

Mr. Benidickson moved the third reading of the bill.

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, the remarks which have been made on the Alberta Natural Gas Company bill apply in many respects also to the present bill. In order to be consistent, I propose to move, seconded by the hon. member for Nanaimo (Mr. Pearkes), the same amendment to this bill:

That Bill No. 9 be not now read a third time but that it be referred back to the standing committee on railways, canals and telegraph lines for the purpose of reconsidering the amending of the bill so as to provide that any pipe lines built by the proposed company from Alberta to the Pacific coast must be by an all-Canadian route.

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

Mr. H. W. Herridge (Kootenay West): As the remarks I made on the previous bill, Mr. Speaker, apply to this bill also, and as I do not wish to take up the time of the house further, I wish to move the following amendment, seconded by the hon. member for Yale (Mr. Jones):

That the amendment be amended by adding thereto, immediately after the last word thereof, the following words:

"and also so as to provide for the regulation of the tolls and tariffs of the proposed company for the protection of Canadian consumers."

In conclusion, I might say that once again we offer to members of this House of Commons the opportunity to protect Canadian interests, Canadian rights and Canadian consumers.

Mr. Speaker: The question is on the amendment to the amendment. Does the amendment to the amendment carry?

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: Those in favour of the amendment to the amendment will please say "yea."

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say "nay."

Some hon. Members: Nay.

Mr. Speaker: In my opinion the "nays" have it.

And more than five members having risen:

Mr. Speaker: Call in the members.

The house divided on the amendment to the amendment (Mr. Herridge) which was negatived on the following division:

YEAS

Messrs:

Argue
Balcer
Black (Cumberland)
Blair
Browne (St John's West)
Casselman
Catherwood
Charlton
Coldwell
Courtemanche
Cruickshank
Diefenbaker
Drew
Fleming
Fraser
Fulton
Gibson
Graydon
Green
Harkness
Harris (Danforth)
Herridge
Jones
Knight
Lennard
MacInnis
McLure
Murphy
Pearkes
Sinclair
Sinnott
Tustin
White (Hastings-Peterborough)
Wright—34.

NAYS

Messrs:

Anderson
Applewhaite
Benidickson
Bennett
Bertrand
Beyerstein
Blackmore
Blanchette
Blue
Boisvert
Boivin
Bonnier
Bradette
Bradley
Breithaupt
Brisson
Brown (Essex West)
Bruneau
Byrne
Campney
Carroll
Carter
Cauchon
Cavers
Chevrier
Cote (Verdun-La Salle)
Dion
Eyre
Fair
Fauteux
Fournier (Hull)
Fulford
Gauthier (Lake St. John)
Gauthier (Sudbury)
Gauthier (Lapointe)
George
Gingues
Goode
Gourd (Chapleau)
Gregg
Hansell
Harris (Grey-Bruce)
Harrison
Henderson
Howe
Huffman
Jeffery
Johnston
Jutras
Kent
Kirk (Antigonish-Guysborough)
Lafontaine
Laing
Langlois (Berthier-Maskinonge)
Langlois (Gaspe)
Lapointe
Leduc
Lefrançois
Leger
Lesage
Little
Low
MacDougall
MacLean (Cape Breton North and Victoria)
MacNaught
McCulloch
McCusker
McDonald (Parry Sound-Muskoka)
McIlraith
McLean (Huron-Perth)
McWilliam
Matthews
Monette
Mott
Murray (Oxford)
Murray (Cariboo)
Prudham
Quelch
Ratelle
Richard (St. Maurice-Lafleche)
Riley
Robinson
Shaw
Simmons
Stewart (Yorkton)
Stick
Stuart (Charlotte)
Thatcher
Thomas
Tremblay
Ward
Weaver
Welbourn
Whiteside
Whitman
Winters
Wood—97.

Prairie Transmission Lines

Mr. Smith (Calgary West): I was paired with the hon. member for Edmonton East (Mr. Macdonald). Had I voted, I would have voted for the amendment to the amendment.

Mr. Black (Chateauguay-Huntingdon-Laprairie): I was paired with the hon. member for Huron North (Mr. Cardiff). Had I voted, I would have voted against the amendment to the amendment.

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

The house divided on the amendment (Mr. Green) which was negatived on the following division:

YEAS

Messrs:

Argue
Balcer
Black (Cumberland)
Blair
Browne (St. John's West)
Casselman
Catherwood
Charlton
Coldwell
Courtemanche
Cruickshank
Diefenbaker
Drew
Fleming
Fraser
Fulton
Gibson
Graydon
Green
Harkness
Harris (Danforth)
Herridge
Jones
Knight
Lennard
MacInnis
McLure
Murphy
Pearkes
Sinclair
Sinnott
Tustin
White (Hastings-Peterborough)
Wright—34.

NAYS

Messrs:

Anderson
Applewhaite
Benidickson
Bennett
Bertrand
Beyerstein
Blackmore
Blanchette
Blue
Boisvert
Boivin
Bonnier
Bradette
Bradley
Breithaupt
Brisson
Brown (Essex West)
Bruneau
Byrne
Campney
Carroll
Carter
Cauchon
Cavers
Chevrier
Cote (Verdun-La Salle)
Dion
Eyre
Fair
Fauteux
Fournier (Hull)
Fulford
Gauthier (Lake St. John)
Gauthier (Sudbury)
Gauthier (Lapointe)
George
Gingues
Goode
Gour (Russell)
Gourd (Chapleau)
Gregg
Hansell
Harris (Grey-Bruce)
Harrison
Henderson
Howe
Huffman
Jeffery
Johnston
Jutras
Kent
Kirk (Antigonish-Guysborough)
Lafontaine
Laing
Langlois (Berthier-Maskinonge)
Langlois (Gaspe)
Lapointe
Leduc
Lefrançois
Leger

Lesage	Ratelle
Little	Richard (St. Maurice-Lafleche)
Low	Riley
MacDougall	Robinson
MacLean (Cape Breton North and Victoria)	Shaw
MacNaught	Simmons
McCulloch	Stewart (Yorkton)
McCusker	Stick
McDonald (Parry Sound-Muskoka)	Stuart (Charlotte)
McIlraith	Thatcher
McLean (Huron-Perth)	Thomas
McWilliam	Tremblay
Matthews	Ward
Monette	Weaver
Mott	Welbourn
Murray (Oxford)	Whiteside
Murray (Cariboo)	Whitman
Prudham	Winters
Quelch	Wood—98.

Mr. Smith (Calgary West): I was paired with the hon. member for Edmonton East (Mr. Macdonald). Had I voted, I would have voted for the amendment.

Mr. Black (Chateauguay-Huntingdon-Laprairie): I was paired with the hon. member for Huron North (Mr. Cardiff). Had I voted, I would have voted against the amendment.

Mr. White (Middlesex East): I was paired with the parliamentary assistant to the Minister of Agriculture (Mr. McCubbin). Had I voted, I would have voted for the amendment.

Mr. Speaker: The question is on the main motion.

Some hon. Members: Carried.

Some hon. Members: On division.

Mr. Angus MacInnis (Vancouver East): Before the motion for third reading is carried I wish to say a few words, though not with any desire to prolong what I consider to be a rather discreditable incident in Canadian parliamentary history. I was not in the house this afternoon when the debate was going on, but since coming in I have been informed that my name was brought into the debate by the Minister of Trade and Commerce (Mr. Howe). I want to thank the minister for what he said about me; but I want to make it quite clear to this house that during the five or six months this question has been before parliament, no outside individual representing either of the companies has approached me.

Mr. Howe: On a point of privilege, Mr. Speaker, if my hon. friend is answering anything I said I made no such suggestion; quite the reverse. I said I had never known the hon. member to vote in any other way but according to his convictions, and I was convinced that he thought this filibuster was—

[Mr. White (Middlesex East).]

Mr. MacInnis: That is what I am told; I am not finding fault with the right hon. gentleman.

Mr. Howe: I would not like a misunderstanding there.

Mr. MacInnis: I only want to make it clear that the whole time this question has been before parliament, while I have been told that lobbyists were very busy around this building, no outside interest has approached me in regard to either of the companies concerned. I imagine that if they were advised by representatives or people from British Columbia they would know better. I am not interested in either company. I have been told by the proponents of the bill that the other side were a bunch of crooks. I have been told by those opposing the bill that the two companies were a bunch of crooks. I have no doubt both parties are right.

I do believe, however, that in putting itself behind these private bills in the way it has done, the government has performed a disservice to parliament. If it does not turn out to be worse than that it will be by the grace of God; because today, by passing these bills, we have left the people of British Columbia without any protection whatever except what the governor in council may find it possible in its judgment to give us. I am convinced also that this parliament could and should have given an expression of opinion as to the route these pipe lines should follow. However, parliament has failed to do that. I have done what I could by voting against the bills, and I can only hope that the interests of British Columbia still will be served, though I am not so sure they will.

Motion agreed to on division, and bill read the third time and passed.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

DILLON-BULL'S HOUSE, SASK., TELEPHONE SERVICE

Mr. Coldwell:

1. What was the amount of the lowest combined total of the tenders as originally submitted for the construction of a telegraph and/or telephone line between Dillon and Bull's House in Saskatchewan?

2. What are the names of those who placed these tenders, and what were the amounts of their separate tenders?

3. Did parliament vote $14,000 for the construction of this line?

4. If so, on what date?

5. Has the government approved a rate of $270 per mile for this thirty- to thirty-five-mile line?

6. If so, on what date?

7. Did the government inform the House of Commons of this approved rate?

8. If so, when?

9. Did the government inform the house that this line had been built without authorization?
10. If so, when?
11. Has Mr. L. M. Marion been paid for the work done?
12. If not, has the government decided to withhold payment, and for how long?

Mr. Chevrier:

1. $270 per mile.

2. This information already given in return to order of the house—see sessional paper No. 119C.

3. Yes.

4. Portion provided by interim supply April 3, 1949, and balance on December 13, 1949.

5. (a) Yes; (b) Length of line by actual measurement is 28 miles.

6. November 15, 1949.

7. A return to an order of the house concerning this matter was tabled on March 2, 1950.

8, 9 and 10. Answered by No. 7.

11. Payment now being effected.

12. Answered by No. 11.

CANADIAN NATIONAL RAILWAYS—SPECIAL RETIREMENT ALLOWANCES

Mr. Knowles:

1. How many former employees or officials of the Canadian National Railways who, upon retirement, did not qualify for any pension under any established plan, are in receipt of retirement allowances?
2. How many of these retirement allowances are $100 a month or over, how many are less than $100 a month, and what is the lowest amount of any such allowance?
3. What is the reason or basis for the granting of any such special retirement allowances?
4. Is it open to any employee, not on pension, to apply for such a retirement allowance?

Mr. Chevrier:

The Canadian National Railways advise as follows:

1. 18.

2. $100 a month or over, 8; less than $100 a month, 10; lowest amount of any such allowance, $25.

3. Very exceptional circumstances approved by board of directors, on recommendation of management.

4. Yes; that is to say, any employee may make such representations as he sees fit, to his employing officer.

CANADIAN NATIONAL RAILWAYS—LUMP SUM RETIREMENT ALLOWANCES

Mr. Knowles:

1. How many employees or officials of the Canadian National Railways, upon retirement, have been given lump sum retirement allowances (a) of $5,000 or less; (b) more than $5,000 but not more than $25,000, since January 1, 1930?
2. In what years were such lump sum retirement allowances made?

Mr. Chevrier:

The Canadian National Railways advise as follows:

1. (a) None; (b) None.

2. See answer to No. 1.

NEWFOUNDLAND—NATIONAL HARBOURS BOARD

Mr. Higgins:

1. Has any request been made by the province of Newfoundland for the establishment of one or more national harbours under the national harbours board?
2. If so, what areas have been designated by the province for this purpose?

Mr. Chevrier:

1. No.

2. See answer to No. 1.

LETHBRIDGE, ALTA., AIRPORT—EXPROPRIATION OF LANDS FOR EXTENSION

Mr. Blackmore:

1. During 1946, how many acres of land were added to the extension of the Lethbridge airport?
2. What is the name and address of each farmer from whom such lands were purchased, and how many acres from each of them?
3. On what date was it made known to each of these farmers that certain acres of his land were to be required by the federal government?
4. On what date did the federal government definitely assume possession of each of the parcels of land from such farmers?
5. Prior to his acceptance of the government's offer, was the farmer in each case given definitely to understand that he must surrender to the Canadian government the parcels of land required?
6. At what price or prices per acre was possession of the land assumed by Canada in the case of each farmer?
7. During the period from the time of expropriation down to April 30, 1950, what is the total amount of taxes that have accrued upon the lands expropriated from each of the farmers in question?
8. Have these taxes been paid? If so, by whom?
9. What steps have been taken by the federal government to reimburse these farmers for the losses they have sustained through being deprived of crops that could have been raised on the expropriated lands during the years 1947, 1948 and 1949?
10. What are the reasons for the long delay in settlement with each of these farmers?

Mr. Chevrier:

1. Approximately one hundred and seventy (170) acres.

2. Hugh K. Thompson, Lethbridge, 19·93 acres, Frederick A. Russell, Lethbridge, 89·70 acres, Claud A. Duncan, Lethbridge, 60 acres.

3. Following negotiations options were obtained dated September 4, 1946.

4. About the end of September, 1946.

5. There is no information as to what representations were made during the verbal negotiations which took place with the land agents of the department. However, the

options obtained state that possession was to be given to the crown upon acceptance of the options.

6. Hugh K. Thompson, 19·93 acres for $1,170, or $58.20 per acre, Frederick A. Russell, 89·70 acres for $5,400, or $60.20 per acre, Claud A. Duncan, 60 acres for $3,750, or $62.50 per acre.

7. As the lands were expropriated on February 5, 1949, no taxes have accrued after the year 1949.

8. Authority has been obtained to pay the taxes from the time possession was taken on behalf of the crown until the end of 1949.

9. Authority has been obtained to pay interest at 5 per cent per annum on the compensation moneys from the time possession was taken on behalf of the crown until payment.

10. The difficulty experienced in obtaining a clear title in each case on account of numerous encumbrances and reservations affecting the lands in question. It was finally deemed advisable to expropriate in order to vest title in the crown, free from all encumbrances, and thereby permit the transaction to be completed in so far as the owners mentioned in answer to No. 2 are concerned.

DUMPING DUTIES ON MOTOR VEHICLES FROM THE UNITED KINGDOM

Mr. Brown (Essex West):

1. Are automobiles from the United Kingdom being sold for import into Canada at a lower price than they are being sold in England?
2. Is dumping duty being applied in Canada?
3. If not, what are the reasons therefor?

Mr. Winters:

1. Yes, in some instances.

2. No.

3. Exemption from dumping duty was extended to automobiles under authority of subsection 2(ii) of section 6 of the Customs Tariff.

PRAIRIE FARM MORTGAGES

Mr. Dechene:

1. Are records available as to the amount of farm mortgages in the provinces of Manitoba, Saskatchewan and Alberta as at (a) 1939; (b) 1949?
2. If so, what are these figures for each of the above provinces?

Mr. McIlraith:

1. No records available as to the amount of farm mortgages in the provinces of Manitoba, Saskatchewan and Alberta as at (a) 1939, (b) 1949.

2. The following table gives data available for Manitoba, Saskatchewan and Alberta for (a) 1936, (b) 1946 census.

[Mr. Chevrier.]

Amount of indebtedness covered by mortgages and/or agreement for sale on buildings and land farmed by owner operators, reported in census 1936, 1946 (1).

	1936	1946(1)
Manitoba	$ 51,322,800	$28,732,900
Saskatchewan ...	188,118,300	77,495,400
Alberta	108,402,600	53,445,200

(1) Enumerated as indebtedness on buildings and land owned by farm operators.

BURRIDGE, ONT., POST OFFICE

Mr. Aylesworth:

1. Is there a post office at Burridge, Ontario?
2. Is this post office on a commission basis?
3. If so, does this post office cost the Post Office Department anything?
4. What has been the revenue from this post office for each of the last three years?
5. Has notice been given that this post office will be closed, and was a request received asking this action?
6. If so, from whom did the request come?
7. What method of delivering the mail will now be used?
8. What will be the cost of this method per year?
9. In each direction, how far from Burridge are other post offices?
10. What provision will be made for the tourists and residents in this district to buy stamps?

Mr. Lapointe:

1. Yes.

2. No.

3. Yes.

4.

1947-48	$219.30
1948-49	239.95
1949-50	330.57

5. (a) No.
(b) No.

6, 7 and 8. Answered by No. 5.

9. Westport, 9·4 miles to the east; Godfrey, 13·4 miles to the south; Tichborne, 20 miles to the west; Maberly, 20 miles to the north.

10. Answered by No. 5.

ENEMY PROPERTY—CANADIAN CLAIMS FOR WAR DAMAGE

Mr. Fulton:

1. What is the total value of enemy assets in the hands of the custodian of enemy property as a result of the 1939-1945 war?
2. Of this, how much is German or other former European enemy property, and how much is Japanese and other far eastern enemy property?
3. How many claims have been received from Canadians for compensation for damage suffered in the European and far eastern theatres of war respectively?
4. What is the total amount of these claims?
5. How many of these claims in each theatre respectively have been paid?

Mr. Bradley:

1. Total assets in the hands of the custodian as at March 31, 1950, $51,124,833.25.

The above total includes "belligerent" enemy owned assets as well as "technical" enemy owned assets controlled by the custodian, as reported in the annual report covering the operations of the custodian's office to the end of December 1949, which report was tabled in the house.

2. German property, $8,906,249.39; other former European enemy property, $4,074,-626.63; Japanese and other far eastern enemy property, $3,613,127.12.

3. European theatres of war, 2,110 claims; far eastern theatres of war, 400 claims.

4. Approximately, $65,000,000.

5. None by Canada.

QUESTIONS PASSED AS ORDERS FOR RETURNS

FOREIGN EXCHANGE CONTROL ACT—CONVICTIONS

Mr. Diefenbaker:

1. How many persons, by provinces, have been convicted under the provisions of the Foreign Exchange Control Act, since the first of April, 1949, to date?

2. What were the penalties imposed in each case?

3. In how many cases, by provinces, were the moneys seized returned (a) in whole; (b) in part, to such persons?

PUBLIC BUILDINGS—PURCHASE AND CONSTRUCTION

Mr. Fulton:

1. How many contracts have been entered into in the three years ending December 31, 1949, for the construction of buildings, without formally advertising or calling for tenders?

2. How many buildings have been purchased in the three years ending December 31, 1949?

3. In the case of each contract for construction of buildings included in the answer to question 1, what is (a) the date of the contract; (b) the location (city or town and street number); (c) the name of the building; (d) the department, departments or crown company, etc., to be accommodated; (e) the name and address of the builder or contractor; (f) the total or agreed cost of construction; (g) the builder's or contractor's fee?

4. In the case of each building purchased, included in the answer to question 2, what is (a) the date of the purchase; (b) the location (city or town and street number); (c) the name of the building; (d) the department, departments or crown company, etc., to be accommodated; (e) the name and address of the owner or vendor; (f) the agreed purchase price?

CHARTERED BANKS—PROFITS, TAXES, ETC.

Mr. Quelch:

1. What were the net profits of each of the chartered banks after published provision for dominion and provincial taxes, in each of the years 1945, 1946, 1947, 1948, 1949?

2. What was the amount of dominion and provincial taxes of each bank for these years?

3. What percentage of paid-up capital are the profits shown in the answer to question 1, in each case?

4. What was the total of the transfers made to contingent reserve fund from the earnings of each of the chartered banks during above years?

5. What was the total amount that each bank was called upon to pay in additional taxation as a result of excess transfers in each of these years?

MOTIONS FOR PAPERS

DILLON-BULL'S HOUSE, SASK., TELEPHONE LINE

Mr. Coldwell:

For a copy of all correspondence, telegrams, documents and other papers passing between any person other than Mr. L. M. Marion, and the government, from January 1, 1947, to date, with respect to the construction of a telegraph and/or telephone line between Dillon and Bull's House in Saskatchewan.

RIVIERE-AU-RENARD, QUE., RIVER IMPROVEMENTS

Mr. Courtemanche:

For a return showing a copy of payrolls and lists of materials used in connection with the work performed at the mouth of the river at Riviere-au-Renard, county of Gaspe, during the summer of 1949.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull) moved the adjournment of the house.

He said: Mr. Speaker, tomorrow we will move to go into supply and call the Departments of Fisheries and Justice.

Mr. Fleming: What about the post office?

Mr. Fournier (Hull): I thought we would take up the item of post office and discuss the use of the mail service, but I was told that some member who wishes to take part in that debate would not be present in the house tomorrow. If you wish to have that discussed tomorrow, I am ready to put it down, but I was told that someone who wants to take part in the debate would not be here, so through courtesy I thought I would not put it down. I shall ask the member for Eglinton if he wants it put down.

Mr. Fleming: I am afraid I cannot make any comment, in view of what the minister has said.

Mr. Fournier (Hull): I am afraid I cannot call it, because this is an hon. member of the opposition for whom I have much respect and who would like to take part in the debate. We will take up Bill No. 133, an act respecting national defence; Bill No. 134, an act to amend the Militia Pension Act and change the title thereof; then the resolution concerning the distribution of prize money; then the resolution to set up a special committee to consider the defence bill or bills. If we are fortunate enough to complete those matters, we would like to take up also Bill No. 180, an act to amend the War Veterans' Allowance Act, 1946.

Motion agreed to and the house adjourned at 10.55 p.m.

HOUSE OF COMMONS

Tuesday, May 16, 1950

The house met at three o'clock.

ORDERS IN COUNCIL

TABLING OF SUMMARY APRIL 1, 1950 TO APRIL 30, 1950

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I should like to table a summary of orders in council passed during the period April 1 to April 30, 1950. It will be remembered that the summary for the period March 1 to March 31 was tabled on April 17.

REPORTS AND PAPERS

International convention for northwest Atlantic fisheries, and Final Act signed on February 8, 1949.—Mr. Claxton.

Report of the operations under the Bretton Woods Agreements Act during the fiscal year 1949-50.—Mr. Sinclair.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 211, for the relief of Reuben Robert Shapiro.—Mr. Winkler.

Bill No. 212, for the relief of Mary White Sheppard.—Mr. Winkler.

Bill No. 213, for the relief of Ulderic Cadieux.—Mr. Winkler.

Bill No. 214, for the relief of Helen Irene Barney Hutchinson.—Mr. Winkler.

Bill No. 215, for the relief of Alice Jean Young Gulliver.—Mr. Winkler.

Bill No. 216, for the relief of Joseph Lucien Alphonse Martel.—Mr. Winkler.

Bill No. 217, for the relief of Georges Emile Bernier.—Mr. Winkler.

Bill No. 218, for the relief of Margaret Veronica Quinn Davies.—Mr. Winkler.

Bill No. 219, for the relief of Max Gurevitch. —Mr. Winkler.

Bill No. 220, for the relief of Romuald Joseph Jean Lamoureux.—Mr. Winkler.

FLOOD CONDITIONS

SOUTHERN MANITOBA—QUESTION AS TO VISIT TO WINNIPEG BY PRIME MINISTER

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): I wonder if I may direct a question to the Prime Minister, which he may wish to think over before he answers? I do so most earnestly and respectfully. Would the Prime Minister consider going to Winnipeg this week so that he may see with his own eyes the destruction and disaster being suffered by our people?

Right Hon. L. S. St. Laurent (Prime Minister): I am sorry, but it will not be possible for me to go to Winnipeg this week. I think the announcements that will be made shortly as to what is to be done in connection with the whole situation will satisfy those who wish their sympathy expressed as vigorously as possible to the population that is so distressed in that area.

EFFECT OF DISASTER UPON RURAL AREAS

On the orders of the day:

Mr. George A. Drew (Leader of the Opposition): Following the observations that have been made with regard to the situation in Manitoba, and having regard to the statements that were made yesterday, may I suggest to the government that, in considering the things that must be done, full recognition be given to the extent of the disaster to the rural areas? While the tragedy and the destruction in Winnipeg is attracting attention through the necessity of protecting buildings there, there is also a heavy loss in the rural areas, in a considerable part of which crops will not be planted this year. I suggest that the government, in announcing its plans in regard to Winnipeg, also announce what is to be done for the rural areas that are affected.

Right Hon. L. S. St. Laurent (Prime Minister): The plans under consideration do not apply exclusively to Winnipeg; they apply to the whole area that has been affected by these disastrous floods.

APPLICATION OF NATIONAL HOUSING ACT

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): May I direct a question to the Minister of Resources and Development? Could the minister, either today or quite soon, give the house some details as to the use which the government intends to make of the National Housing Act in connection with the

disaster in Winnipeg, and also as to the proposed amendments to that act which were referred to in a dispatch appearing in this morning's *Globe and Mail*?

Hon. Robert H. Winters (Minister of Resources and Development): The act is available for use to the fullest extent by any individual or province wanting to use it. With respect to the proposed amendments mentioned in the dispatch, I do not know of any.

Mr. Knowles: Was the *Globe and Mail* report completely wrong?

NATIONAL PARKS

NEW BRUNSWICK—OFFICIAL OPENING OF FUNDY PARK, JULY 29

On the orders of the day:

Mr. D. A. Riley (Saint John-Albert): Can the Minister of Resources and Development inform the house whether a definite date has been set for the official and formal opening of Fundy national park in Albert county, New Brunswick?

Hon. Robert H. Winters (Minister of Resources and Development): I wish to thank the hon. member for giving me notice of his question, and to thank him, too, for the constructive interest he has taken in the great amount of work which has been put into the development of this splendid park area. After discussing the matter with Premier McNair and the Minister of Veterans Affairs (Mr. Gregg), it has been decided that the official opening date will be July 29.

RADIO BROADCASTING

REPRESENTATION OF PRINCE EDWARD ISLAND ON SPECIAL COMMITTEE

On the orders of the day:

Mr. W. Chester S. McLure (Queens): I gave notice of the following question to the Acting Minister of National Revenue: On March 31, after the Minister of National Revenue (Mr. McCann) had spoken on his resolution regarding the appointment of a special committee to consider the annual report of the Canadian Broadcasting Corporation, I rose to protest—this will be found on page 1456 of *Hansard*—against the discrimination against my province. My question to the minister was whether he would add a representative from the province of Prince Edward Island, and to that question I have had no reply.

Hon. Robert H. Winters (Acting Minister of National Revenue): I received notice of the hon. member's question, and I have also examined *Hansard* and I find there is little I can add to the reply made at that time by the Minister of National Revenue. I think the question is one that could just as properly be asked of the whip of the hon. member's own party. As I understand it, once the size of a committee and the representation of the various parties on it are determined, the composition of the committee is a matter for the respective whips.

Mr. McLure: The whip of our party would have nothing to do with the appointment of a Liberal from Prince Edward Island on that committee.

ENEMY PROPERTY

CANADIAN CLAIMS FOR WAR DAMAGE—REFERENCE TO ANSWER TO QUESTION ON MAY 15

On the orders of the day:

Mr. E. D. Fulton (Kamloops): The Secretary of State (Mr. Bradley) is not in the house at the moment, and perhaps my question may be taken as notice. Yesterday, as recorded at page 2518 of *Hansard*, the minister answered a question I had asked with regard to the assets of former enemies in the hands of the custodian of enemy property. I notice that the answer to the first part of the question indicates a total of $51 million odd, whereas the break-down in the answer to the second part totals only $16 million odd. Will the Secretary of State have the figures checked, or offer some explanation for the discrepancy? Perhaps he would be kind enough to give a supplementary answer to the question.

PRIVILEGE

OPPORTUNITIES IN CANADA FOR CANADIAN UNIVERSITY GRADUATES

On the orders of the day:

Mr. Daniel McIvor (Fort William): On a question of privilege, I should like to deflate a bubble that has been blown up in various parts of this country in the form of a statement that the best students in Canada go to the United States. One of the finest students in Canada has come back from Baltimore, where he took a post-graduate course to settle down in the national research council, and he comes from Fort William.

TOBACCO

QUESTION AS TO ASSISTANCE TO ONTARIO GROWERS

On the orders of the day:

Mr. J. H. Ferguson (Simcoe North): The tobacco farmers of Ontario constitute one of the greatest tax sources in this country, and in this connection I should like to ask a question of the Minister of Agriculture. In view of the fact that the banks have the tobacco farmers of Ontario in the palms of their hands and are putting the old squeeze

on them, will the Department of Agriculture in order to prevent some tobacco farmers from being ruined, look into the conditions facing these men this season, and, if possible, grant loans so that they may plant crops and reap a harvest this year?

Mr. Abbott: Free enterprise.

Right Hon. J. G. Gardiner (Minister of Agriculture): I do not know what answer I can give at the moment. I shall look into the matter and answer later.

SUPPLY

Hon. Douglas Abbott (Minister of Finance) moved that the house go into committee of supply.

FLOOD CONDITIONS—SOUTHERN MANITOBA

Mr. Stanley Knowles (Winnipeg North Centre): Before Your Honour leaves the chair there are a few words I should like to say. I wish to do so because I have just come back from spending a few days in my home city and province, where our people are undergoing a serious disaster and suffering grievous losses—even more serious than some of us were forecasting a couple of weeks ago. I have read the reports that were made yesterday by the Minister of Justice (Mr. Garson) and the Minister of National Defence (Mr. Claxton), and I know that the house is familiar with the bare facts of the situation. I shall not repeat anything that either of those ministers said.

I was called upon repeatedly during the days that I was home to bring back certain messages—one in particular—and I felt that I should waste no time in bringing those messages to the attention of this house and of the government. The message in particular was this: Next to the concern for the immediate emergency, about which I shall say something in a moment, the people affected, and those who are not affected but who are concerned for their fellow citizens, are hoping that there will soon be the assurance that the financial aid offered will take the form of direct assistance to the individuals who need it, direct compensation for losses suffered. I want to join with the leader of the opposition (Mr. Drew) in saying that the individuals affected are not just those in the urban and suburban areas who are losing their homes, furniture and personal belongings, but also the farmers of the whole Red river valley from Winnipeg to Emerson.

I realize that the assurance of federal financial assistance has already been given in the house. It was so stated by the Prime Minister (Mr. St. Laurent) a week ago yesterday, and I was one of those who immediately expressed thanks on behalf of the people back home that the assurance had been given. I must confess that when I got home I discovered that the general terms in which that assurance was given somehow or other did not give the people who are having their homes destroyed and who are losing their furniture the assurance that they personally would be compensated for their losses and enabled to get back on their feet.

I am sorry that the personal arrangements of the Prime Minister are such that he cannot accede to the suggestion I made when we were on orders of the day. I felt it would be worth while for him to make a trip to Winnipeg while the flood waters are still high, if he possibly could. I still feel he should go. If I may say so, the purpose of his going there would not be for sightseeing or making a speech but rather that he might see with his own eyes what our people are suffering. I am sure if he would travel through or over the Red river valley from Emerson to Winnipeg, and get as close as he could to the areas under water, if he could see hundreds and hundreds of homes half-submerged, it would save a great deal of argument when the time comes to decide whether or not financial assistance is to take the form of compensation directly to the people who need it.

I could, like all members from the area affected—and we have all been home since the tragedy has been upon us—tell story after story of young people, people newly married and just setting up their homes, people in middle age, old people who have retired, people at all stages and in all classes and walks of life who have lost heavily or lost all. The spirit of the Winnipeg people is the spirit of all Canadians in time of disaster or tragedy. A great deal has been said about their heroism and the way in which everyone is pitching in to do the things that have to be done. That is all true, but I must confess there is also a considerable feeling of resentment and bitterness at what has overtaken the people, and at the terrible slowness with which some authorities acted in the situation.

There is now being organized a voluntary Manitoba flood relief fund, and the indications are that Canadians from coast to coast will subscribe to it heavily and voluntarily. There are indications that there will be subscriptions from the United States and other countries as well. The fact that Canadians from coast to coast will be subscribing to the fund surely makes it clear that we would be more than justified in taking out of the federal

treasury whatever it may be necessary to take to compensate those people who have suffered heavy losses.

In this instance, Mr. Speaker, I am not speaking so much, as I sometimes do and as we all do, for the people of my own constituency, because it so happens that the working people of Winnipeg North Centre, who frequently are hit by disasters of one kind and another, although there is flooding in Point Douglas and water in many basements, have not been hit as heavily in this instance as the people of the other Winnipeg and surrounding constituencies—Winnipeg North; Winnipeg South Centre; Winnipeg South, which has suffered very heavily; Selkirk, St. Boniface, Provencher, Springfield, and so on.

When a tragedy like this occurs some of the differences between us melt away, and we are all anxious that those who have suffered should receive the kind of assistance they need. So it is that all of us from the affected area are speaking for all who have sustained losses. It is utterly impossible for a family that has lost everything to try to get back on its feet. A loss of $2,000, $3,000, $4,000 or $5,000, in some cases even more, such as many people have sustained, is more than one family can stand. Nevertheless the total loss is such that the amount required to meet this need would not greatly upset the national budget. In fact I would hope that the Minister of Finance (Mr. Abbott) might also accept my suggestion about going to Winnipeg, because I imagine he will have to be called in when there is a discussion about the amount of money involved.

I know there are frequent calls for economy from the floor of the house, and the Minister of Finance will say that we must be careful now. I think if the Minister of Finance, who is not noted for his soft heart, were to take a trip this week to Winnipeg and see what our people are suffering, it would make a difference when the time comes to discuss the amount to be voted to compensate for the losses involved.

The main plea I make to the government at this time is that they make it clear, just as soon as they possibly can, that the financial assistance to be made available, in keeping with the assurance given by the Prime Minister on Monday, May 8, will take the form of compensation directly to individuals who have suffered losses, directly to those who need it.

I was sorry that the Minister of Resources and Development (Mr. Winters) had to give a negative answer to the question I asked on the orders of the day. I had in mind a front page story in this morning's *Globe and Mail* under the by-line of Warren Baldwin. The heading of the article is:

> Housing Act will assist Winnipeg rehabilitation, federal minister implies.

It is a lengthy story about various things Mr. Winters had said would be done, and it contains this paragraph:

> Resources minister Winters said today that legislation such as the National Housing Act would be used to the limit of its scope. Consideration is also being given, he disclosed, to the possibility of special arrangements under the act and of changes in the legislation, if necessary.

It was the point about changes in the legislation if necessary that appealed to me most. To tell people who already have heavy mortgages on their homes, and whose homes are now flooded, that they can secure a further loan under the National Housing Act is of no help whatsoever, because a further loan will simply mean that they will then owe more on their homes than they are worth. The suggestion that there might be changes in the act to cope with this particular situation was the one that held out a bit of hope. I am sorry that the minister had to give a negative answer today. I hope that, having had a chance to read Warren Baldwin's story in this morning's *Globe and Mail*, he will think the matter over, come to the conclusion that it was a good idea anyway, and perchance give a more favourable answer later.

Mr. Fraser: It was also on the air.

Mr. Knowles: The hon. member for Peterborough West (Mr. Fraser) says that it was also on the air. That is true. I heard it this morning. It was on the air that the Minister of Resources and Development had disclosed that assistance would be forthcoming, and possible changes in the act.

There are a great many steps that the government can take. Something can be done by making changes in the National Housing Act. Something can be done by way of stockpiling necessary materials. Surely we should see to it that there is no unemployment in the greater Winnipeg area for some time to come, having regard to the reconstruction and rehabilitation work that will have to be done there.

All that lies in the future. The immediate concern, next to the emergency itself, is that there be an assurance that the financial aid offered will take the form of direct compensation to those individuals, both in rural and in urban and suburban areas, who need it.

While I am on my feet may I say it strikes me that, although it has meant a

great deal to the people of Winnipeg and the Red river valley to have the interest, sympathy and attention of all Canada and of other countries during this time of crisis—and that interest and sympathy have taken many tangible forms which have meant a great deal—it is to be noted that the siege is one that will last for some considerable time. Even if news comes in two or three days that the waters have started to recede, it will not mean that the danger is over. Hon. members must realize, as they will from the reports that have been received, that large residential areas are being protected by the tremendous dikes that have been built. Even though the water should drop three, four or five feet there is still danger of flooding in those areas if those dikes should go.

I want to add my word of appreciation of the assistance rendered by those who have done so much hard work in the city these past few weeks, both civilians and service personnel. It has been a magnificent job indeed. One hesitates to select any particular group to which to pay tribute, but I do want to say a special word about the young people of the greater Winnipeg area. These are the younger people whom we sometimes think of as the modern generation, whom we sometimes consider not quite as responsible citizens as we think we were, who sometimes make a little more noise than we think they should. During the few days I was at home I discovered that they are all in work clothes, all in rubber boots, spattered with mud from the work they are doing—young men and young women, yes boys and girls. When you see them riding on the streetcars they are not singing or talking or cracking jokes; they are dead tired from the work they have done. I feel that special tribute should be paid to the young people who have done so much.

The other concern that will be with our people for some considerable time after the waters start to recede is the danger to the health of our community. That, I believe, is one of the reasons why efforts have been made, with considerable success, to get a great many of our people out of the city. The estimates vary all the way from 80,000 up to 100,000 as to the number of people who have left Winnipeg, many of them under compulsion because their homes have been flooded or they have been ordered to evacuate, but many of them voluntarily in order to relieve the strain on public utilities, the health authorities and the hospitals. For many weeks the health of our city will have to be watched, and we will need all the help we can get from any source.

After all that is done; after the dirt and refuse have been cleaned away and we are reassured as to the health of our people; after the rehabilitation has started, then our people will want action, definite and responsible, that will lead to steps being taken to ensure that a disaster of this kind will never recur. I am not an engineer, and I cannot propose the exact details of a solution; but I am satisfied that if there is the will to do it, and if the money is made available, engineers can find a way to make sure that this tragedy will not be repeated in future years.

TRANS-CANADA HIGHWAY—AGREEMENT WITH NEW BRUNSWICK

Mr. D. A. Riley (Saint John-Albert): Mr. Speaker, I have noted with considerable regret that as yet no agreement has been entered into between the federal government and the government of New Brunswick with respect to that portion of the trans-Canada highway project which will cross my province. Since the season for road construction is rapidly approaching, I would urge the Minister of Resources and Development (Mr. Winters) and the officers of his department to do everything possible to bring about such an agreement with respect to the trans-Canada highway in the province of New Brunswick.

I am not clear as to the points of difference between the negotiating parties, but I am wondering if it is the question of route. If that matter is of concern to the parties and keeps them at variance, I would strongly urge that every assurance be given the people of the city of Saint John and the surrounding area that the trans-Canada highway will pass through that city. I hear of the possibility of the highway coming down the river to Fredericton from the northern part of the province, crossing the bridge there and proceeding via Jemseg on route No. 9 to the town of Sussex. If this route were followed it would completely by-pass Saint John, the commercial centre of the province, and the centre of the area within which the most interesting and most important tourist attractions are located. On the other hand if the highway were brought through Saint John it would mean that this important artery would be forty miles closer to the town of St. Stephen in Charlotte county, which has been the port of entry for the bulk of the tourists coming to the maritime provinces from the United States.

This, of course, is a matter of real concern to us in Saint John and vicinity. Recently we learned that the federal government was making a large grant toward the construction of a car ferry which would transport tourists

from the coast of Maine to a port in a neighbouring province. We in New Brunswick were happy to learn of this assistance, because we are always glad when the federal government decides to give any help whatever to any of the maritime provinces; but we feel that our province will suffer so far as the tourist industry is concerned, in that many tourists who normally would come through New Brunswick may be diverted directly to Nova Scotia as a result of the operation of this ferry. So we feel that if the trans-Canada highway were to follow route No. 2 from Edmundston to Fredericton, thence to Saint John via routes 2 and 2A, and from there to the town of Sussex, it would at least partly make up for what may be a considerable reduction in the flow of tourists who normally would come through our province.

On behalf of my own constituency, and on behalf of those living in the particular section of New Brunswick whence I come, I would again urge that the federal government do everything possible to ensure that the trans-Canada highway be brought down the Saint John river, or by the shortest practical route to the city of Saint John and from there on to Sussex and Moncton.

POST OFFICE—DENIAL OF THE USE OF MAILS

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, on May 9 the Minister of Justice (Mr. Garson) and the Acting Postmaster General (Mr. Lapointe) made statements in regard to the exercise by the Postmaster General of the powers conferred upon him under regulations 204 and 205. This subject had been under discussion before, and I would remind the house of the unusual way in which it was dealt with at that time. Questions had been asked on different occasions as to the procedure being followed in denying the use of the mails in certain cases. It had been said that a clear statement would be given to the house as to what the situation was. We were told that the subject would be discussed. When the first item of the Post Office Department was called on May 9, the Minister of Justice took advantage of the occasion to make a statement, and he was followed by the Acting Postmaster General. Then the discussion was stopped by the device of presenting a motion that the committee rise and report progress; the use of that unusual device should not be overlooked. The house had been assured there would be a discussion of this subject. Two ministers of the crown presented statements which called for discussion, but the discussion was stopped by a device that can be employed at any time by a government that makes use of its majority, without regard to its undertakings and without regard to the right of the house to have a discussion on a subject of this kind.

I am mentioning this matter again, because one of the departments to be called when the Speaker leaves the chair is that of the Minister of Justice. It therefore seems appropriate that I should make certain remarks about this subject on the first occasion which presents itself. The matter we are considering is not whether the authority of the Postmaster General is to be exercised in relation to certain brokers in this country; it is how the authority and powers of the Postmaster General under the postal regulations are to be exercised in any case. Often it is only when certain publicity attaches to a particular act of some department that we learn what the situation is. I certainly was unaware of the number of orders that have been issued denying the use of the mails, and the orders which have been issued against brokers are only a small percentage of the outstanding orders of this nature. There are at the present time approximately 1,100 outstanding orders denying the use of the mails. They are issued against many organizations, and many individuals in different activities. The very nature of some of the organizations suggests that it would be wise for the members of the house to give careful consideration to the way in which this power is being exercised. Amongst the organizations which have been denied the use of the mails are branches of the Legion in different parts of Canada; service clubs; religious orders; athletic organizations; social organizations of various kinds. I find in one case there is a teachers organization, and similar action has been taken with respect to a large number of individuals from one end of the country to the other.

What we should consider, therefore, is the exercise of this authority in relation to many types of organizations throughout Canada, and whether it is in keeping with our traditional practices, and our belief that every man and every woman is presumed to be innocent until he or she is proven guilty.

The explanation given by the Minister of Justice and the Postmaster General as to what had taken place was not satisfactory. The explanation of the Minister of Justice was devoted to the limitation of the use of the mails to certain brokers. At page 2333 of *Hansard* he is reported at the outset of his remarks as saying:

> Mr. Chairman, the matter of the protection of the mails from being used for schemes devised or intended to deceive the public is one of considerable importance. From one standpoint it affects certain rights of individual brokers, and of course no government wishes to deal unfairly with them. From another standpoint it affects the efficient workings

of a free society; for I submit, sir, it is important to a free society that the integrity of its methods in raising risk capital for the development of its natural resources should be protected from any corruption by fraud.

I do not think there is any hon. member in this house who is not convinced that society should be protected from the raising of money by fraud. But one of the basic principles of our society is that it shall be protected under the law, and not by arbitrary decisions of any official acting on his own discretion. We pride ourselves that we rely on laws enforced by the courts, and we should seek to protect society by clearly stated laws, and by charges laid under those laws, so that the rights of the individual can be determined by judicial consideration.

Again I would point out that we are not dealing with the exercise of this right only in regard to brokers. We are dealing with the exercise of this right in regard to a great many organizations and people. Nevertheless it is appropriate to consider what was said about the orders that had been placed against certain brokerage firms and individuals as a result of some of their activities. The Acting Postmaster General gave a few quotations from statements which were alleged to have been contained in circulars sent out by some unnamed broker. He then informed the house that steps had been taken by the Postmaster General to obtain some information from officials of the government of the province of Alberta about those properties. We, of course, did not hear the whole story, and the Acting Postmaster General would be the last person to suggest that we did. This thought should be borne in mind. After being thus informed by the minister of the type of fraud that was suggested by the statements made, every hon. member in this house may wonder why no prosecutions were laid under the section of the Criminal Code provided in cases of that kind.

I hope the Minister of Justice will not on this occasion say that he would remind us that this is a responsibility of the provincial attorneys general. This information has been obtained by the Postmaster General by methods that are not available to any provincial attorney general, except where an individual wishes to lay a charge, which he can do in any case. This information has been obtained from special sources available to the Post Office Department. If they have that information, then those officials could lay a charge. If the fraud is there, surely section 414 of the Criminal Code would be wide enough to deal with the case, if it is a clear-cut example of fraud. Section 414 of the Criminal Code reads as follows:

414. Every one is guilty of an indictable offence and liable to five years' imprisonment who, being a promoter, director, officer or manager of any body corporate or company, either existing or intended to be formed, makes, circulates, or publishes, or concurs in making, circulating or publishing any prospectus, statement or account which he knows to be false in any material particular, with intent to induce persons whether ascertained or not to become shareholders or partners, or with intent to deceive or defraud the members, shareholders or creditors, or any of them, whether ascertained or not, of such body corporate or company, or with intent to induce any person to entrust or advance any property to such body corporate or company, or to enter into any security for the benefit thereof.

If there is clear-cut fraud, there is the section under which a charge can be laid. If the Minister of Justice thinks that this section is not wide enough, the appropriate course is for him to introduce an amendment to the Criminal Code which will widen the application of the code to those cases where the mail is used in a manner which he suggests is fraudulent. It was noticeable that the Acting Postmaster General used the term "fraud orders". If there are fraud orders based upon knowledge of fraud, then either action should be taken under existing laws, or, if those existing laws are not wide enough, procedure should be provided by appropriate amendments to the Criminal Code.

It is easy for the Minister of Justice to surround himself with a cloak of virtue and seek to divert people's attention from the measure of arbitrary authority that is being exercised by saying: We do not want any cases of fraud where money is being raised for development. No, we do not. But we want that fraud prevented under the law, and not under the whim of some official or of the Minister of Justice himself. After all, we have not had too convincing evidence of the exercise of discretion by the Minister of Justice under existing laws. We recall that the Minister of Justice, under the direction of the Minister of Trade and Commerce (Mr. Howe), broke one law of this parliament and has never apologized for it. We also remember that, not so long ago, the same Minister of Justice told us that our laws in regard to communism are adequate. Yet we are informed that there is to be an amendment to the Official Secrets Act, apparently for the very purpose of strengthening laws which, according to the Minister of Justice, are now adequate.

The very fact that fraud of all kinds should be prevented is no reason for attempting to prevent that fraud by improper methods. The worse the methods are, the more desirable it is that we should deal with fraud or conduct of that kind under a system which we have asked our people to respect. The way in which we can most effectively protect our society is to be sure that when there is wrongdoing, no part of

our community will be in a position to complain that they have not been dealt with under the law but rather have been dealt with by the extension of some power that was not intended for the particular purpose for which it was employed.

I submit, Mr. Speaker, that what has happened raises a wider issue. Steps should be taken to protect the people of this country from racketeers. Steps should be taken to provide a more effective method for preventing the appeal to people, by any fraudulent device, for money for speculative purposes. At a time when great developments are taking place, people naturally become interested in those developments. Every one of us knows that at the present time, from many parts of this country, circulars are issued appealing to the speculative instincts of the people in regard to some of the great developments. The public should of course be warned that anything of this kind is a speculation in any event; that they should not put money in risk ventures of the kind unless they recognize the fact that it is a risk, and that they should only put in anything of that kind such money as they can afford to lose. But having said that, I submit that the time to strengthen our laws, so that those who seek to obtain money by improper devices may be brought before our courts and dealt with effectively, is when the opportunities which are presenting themselves naturally encourage people to venture in some of those speculative enterprises.

To a great extent this country has been developed by speculative activities. Many of the important activities of this country, such as the large producing mines, were at one time, in their early stages, highly speculative. There is no suggestion by the government—and I am not imputing any such suggestion—that speculative activity of that kind should be prevented. On the contrary, it was clearly stated that we wished to invite risk capital; and it was suggested that it would be an encouragement to risk capital to make sure that, in speculative activities of this kind, fraud should be prevented. The way to deal with that properly is either to prosecute under the law as it stands, or, if the law is not wide enough to deal with fraud of this kind, to amend the Criminal Code. But we are taking great risks with our traditional system of trial by the courts if, in our desire to prevent activities of this kind, we give to officials of any department the power of a court, of a jury and of a sheriff as well, and deny the people the opportunity to carry on their business simply on the decision of that official. In this case regulation 204 provides:

> If it be established to the satisfaction of the Postmaster General that any persons are using or endeavouring to use the post office for any fraudulent or illegal purpose, then in any such case, it is hereby declared that no letters, packet, parcel, newspaper, book, or other thing sent or sought to be sent through the post office by or on behalf of or to or on behalf of such person, shall be deemed mailable matter.

It is under that provision that these orders have from time to time been made; and from time to time under these monthly supplements of the Canada official postal guide we see the names of the organizations and individuals against whom these orders have been made. I have before me the supplement for March, 1950, which does not include those issued against the brokers here under discussion, but does include a number of other names of organizations and individuals. I do not propose to read those names into the record, because I think it would be most unfair that they should be mentioned in *Hansard*. That, after all, is one of the reasons why such great care should be used in connection with a matter of this kind, because set out here are the names of organizations which would ordinarily be regarded as very reliable. It cannot fail to do them harm that a formal order of this kind has gone out declaring that the mails shall not be available to them.

I see just on these two pages in front of me in this single supplement the names of branches of the Legion, of a religious order, of a teachers' organization, of an insurance company, of a labour organization, of a curling club and of an athletic committee—and the names of a number of individuals. Then under these orders are these words:

> Registered letters are not to be accepted addressed to the above, and all mail addressed to or coming from the above is to be intercepted and sent specially by first mail to the administration branch (for the dead letter office).

I cannot find anything in regulation 204 which provides authority for a procedure of that kind. This is more than a refusal to individuals of the use of the mails; it is very clearly stated that the mail of these individuals and organizations is to be intercepted and sent to the dead letter office. What happens then is not stated, and what happens then needs to be clearly understood by members of the House of Commons if we are to know exactly what is taking place.

Let me point out another feature in connection with this situation. The orders referred to by the Minister of Justice (Mr. Garson) and the Acting Postmaster General (Mr. Lapointe) are related to certain brokers

denied the use of the mails. They were denied the right to send out and denied the right to receive. At another time when the estimates of the Post Office Department are before us it is my purpose to do what cannot now be done, and that is to inquire in regard to a number of the details as to the procedure which has been followed.

One of the things that have taken place is that a number of these people have come to Ottawa and have called on officials of the Post Office Department. In certain cases where these individuals or companies were prepared to comply with the terms laid down by the Post Office Department the orders, which the Acting Postmaster General has described as fraud orders, have according to my information been withdrawn. It would be interesting to know what representations were made and what conditions were attached; and when the estimates of the Post Office Department are before us it will be possible to ask those questions and to obtain that information.

Dealing again with the denial of the use of the mails to certain brokers: this did bring the whole matter to the attention of the public, and for the first time brought home the fact that there are 1,100 of these orders outstanding, of which only a small proportion apply to the brokers. It was done in a way that suggested something more than the ordinary procedure contemplated by that regulation, which has been in force for a very long time.

This order is one of long standing. It has been administered by different governments and has been regarded as a means of denying the use of the mails for obviously improper purposes. But what cannot be overlooked in this case is that a device was employed which had the effect of giving to the Postmaster General the authority of a securities commissioner, no matter whether that was the intention or not. The Postmaster General denied the use of the mails; by doing so he effectively denied the possibility of these people carrying on business. In that way he was achieving a result which, according to the Minister of Justice, had the commendable purpose of preventing fraud.

But the thing we should always bear in mind in considering the action of officials under regulations of this kind is that never at any time have we been prepared to accept the proposition that any minister or any official is infallible. The moment we are prepared to concede infallibility in any minister —and we most certainly will not concede it to the Minister of Justice—we shall be then accepting a basic proposition in the totalitarian state, where we take from the courts decision as to the rights of individuals, and leave it to some official to say whether a person may carry on his means to earn a livelihood or not.

The principle is there; the principle is clear. The more desirable the purpose, the more important it is that we carry out that purpose under the rule of law. In this case the Minister of Justice has informed us there is to be an amendment that will permit appeals. That is an empty concession.

Mr. Garson: I think for the sake of accuracy I should offer a slight correction. I said that we have under consideration the advisability of an amendment.

Mr. Drew: Oh; then, we may take it that that was only a gesture which may or may not have any value, depending upon whether it has complete acceptance at a later date.

Mr. Garson: If my hon. friend would permit me to state my position correctly, I have not stated it as he has just stated it. I am saying that we have under consideration the advisability of introducing an amendment along the lines set out in my speech to which he referred, and that in that connection we are seeking representations from the broker dealers association represented by Mr. McTague before we make up our minds.

Mr. Drew: One of the reasons I say that this may or may not have any meaning is that we remember it was a year ago in March that we were informed that the government had under consideration an amendment to the Criminal Code to deal with communism. We have not got any further ahead with that. The government is dismissing from its service those with communist tendencies without having any law to state that that is an offence. It is doing that in somewhat the same way that it is dealing in this case with companies and individuals under the 1,100 fraud orders that are active and outstanding at the present time.

We are told that consideration is to be given to the right to appeal, but I would point out that such right of appeal may be an empty right in the case of any business organization which is committed to a substantial overhead and is denied by an arbitrary order of this kind the opportunity to carry on its business during the time the appeal process is being carried forward and the court has the opportunity to determine if that decision should be made by the Minister of Justice. The whole business of a company might be wiped out and the real opportunity to take an effective appeal denied simply because of the delay as much as the actual cost of the appeal. It may be that the cost of the appeal would not be nearly so important as the cost of carrying unproductive

overhead during that period when the rights of a company or individual are being determined.

I do want to come back again to this proposition, and in this I speak in no spirit of criticism of what has passed but rather to suggest something which I believe might be given due consideration as a means of dealing with what is a real danger at this time. I am not in position to say whether any one of these people against whom orders have been made has committed fraud. In fact I do not think the Minister of Justice is in position to say that. It is not part of our tradition that the Minister of Justice should assume that authority. Nevertheless I do say that at a time when such vast opportunities for development of a speculative nature are open to the people of this country we should try to protect the risk capital that is sought for that purpose by effective laws against fraud in every case where it is found. Experience has shown that the most effective deterrent to fraud is prosecution and jail where there is real fraud.

In this country we have a division of responsibility. Under the jurisdiction over property and civil rights the provinces have set up organizations to deal with the issuing of securities. Under the exclusive jurisdiction over criminal law it is for the dominion to propose from time to time such further legislation as may be required to bring within the scope of the Criminal Code conduct of a criminal nature related to any activities where the money of the people is being sought by any device.

Undoubtedly this is a case where the combined judgment of the Department of Justice and of the securities commissioners or the corresponding officials of the provincial governments should be brought together. A great deal of useful experience has been gained over the past two decades. I feel sure that there can be a strengthening of the criminal law, on the one hand, to make it possible for the dominion government to take into consideration any cases where real fraud is found by the post office or any other department of government, and also that the Criminal Code should be strengthened in a way that would give to the securities commissioners of the provinces and their officials a greater opportunity for dealing with certain cases that now are outside provincial jurisdiction.

Mr. Garson: I presume my hon. friend is aware that the provincial securities commissions have no jurisdiction over interprovincial or international trade in securities?

[Mr. Drew.]

Mr. Drew: That is exactly the reason why they cannot deal with the use of mails across provincial boundaries and over international borders. That is exactly what I am pointing out, that this is a field of regulation where the dominion government has a certain opportunity for investigation and the obtaining of information and that they can then deal with it under the Criminal Code, or if there is not authority now the government can amend the code to make it wide enough to deal with cases of that kind.

I have put that suggestion forward pointing out the very thing that the Minister of Justice has mentioned, that the securities commissions can only carry out their duty under laws which are limited to the local provincial area, and it is not possible for the provincial legislature to pass laws which will deal effectively with interprovincial or international transactions. It is in that field that the Criminal Code can be strengthened by amendments and the dominion government, through information it obtains, can take the appropriate action.

One thing that raises a question is the fact that for some time officials of the securities exchange commission in the United States have been trying to have provisions included in our law to make the procedure in the United States effective in certain cases where they follow a practice not in accordance with our own. They have a device, entirely unknown to our legal system, of filing what they describe as show cause orders. Those orders are not based upon any prima facie evidence of crime; they are orders made simply upon the presentation of statements which would not be recognized under our legal system. I do not believe that a practice so out of keeping with our system should at any time become the basis of proceedings here. Succeeding ministers of justice in this country have resisted any suggestion that this should be done by amendments to our law. That is the reason why I do not want to see any indirect device used which would have the effect of doing what it has been decided should not be done. In this particular case there is no attempt to hide the fact that Mr. Callaghan of the securities exchange commission came here from Washington and made certain representations. I do not want to see an indirect procedure in Canada that will carry out a procedure followed in the United States which I hope will never be adopted here. I want to see our own Criminal Code strengthened in every way that it can be, so that we can establish the highest possible measure of confidence not only in the minds of our own people but also in the minds of possible investors in the United

States, to the end that the risk capital we require for future development may be encouraged by the assurance that there will be as little fraud as possible in the obtaining of it.

Again, however, I urge that we review most carefully procedure of this kind, and that full information should be given to the house when the estimates of the Post Office Department are before us as to the procedure taken in all these many cases, the vast majority of them not related to brokers but affecting the organizations that I have mentioned. I certainly hope that every effective device will be adopted. I not only want to make sure that no broker or other individual is improperly penalized until found guilty, but also that our laws will be such that fraud can be brought before the courts in every case where it is found.

Mr. A. H. Jeffery (London): Mr. Speaker, I rise on this occasion because I find that I am somewhat in sympathy with the constructive suggestions of the leader of the opposition (Mr. Drew). In our democracy I think we should be most careful that the discretion exercised by officials should in some way be subject to review by the courts. I think an excellent step in this direction has been taken under the income tax law where discretionary powers are to a large extent reviewable by an appeal tribunal. I spoke once before in the house about the encouragement of risk capital. I agree with the leader of the opposition that we should do everything to encourage the use of risk capital for the development of Canada.

I noted that the leader of the opposition was worried about our democratic processes. I should like to point out that one of the things he suggested was restrictive criminal laws against what might be called a political party in Canada, the communists. On another occasion I said that I agree that anybody who threatens our state by force of arms or otherwise should be restricted and prosecuted but the leader of the opposition went on to make a suggestion about an undemocratic process with regard to communism.

Mr. Drew: Mr. Speaker, I do not want to interrupt but I do not want the record to be left in error. Every statement I made about communism was particularly directed towards the necessity of laws which would deal with communism before our courts. The point I was raising was that we should not deal with communism without laws, that we should have laws defining the offences and that these people should be brought before the courts.

Mr. Jeffery: Possibly I did not word very well what I had to say. What I intended to say was that we should not have laws against communism as such. We should have laws against anybody who attempts to overcome our democratic processes by force. I should like to point out that when the leader of the opposition was premier of Ontario there were laws on the statute books of the province which broke the very rule he is talking about. I should like to refer to the liquor control act whereby the official in charge can walk into a person's home, pick up his liquor permit and take it away without giving any reason or any review being made by the courts. I should also like to refer to another law of the province of Ontario whereby the minister of highways can take away my licence without my being convicted of any offence, without my having been through an examination. In other words, he can take my licence away because I am a Liberal or because I am white-headed, and it is not subject to review by the courts. I say again that I am in some slight agreement with the leader of the opposition but I want to point out that when he was premier of the province of Ontario he was guilty of having such laws.

There is one difficulty existing, of which I know the leader of the opposition is aware, and that is proving legally who mailed certain documents, and who is responsible for the printing thereof. Therefore prosecutions can be difficult where prospectuses are mailed. We run into difficulties of many types, and the only way they could be overcome would be by passing express legislation to the effect that such letters must be registered, that the person mailing them must sign, and other laws which will pin it down to the person mailing the documents.

In conclusion I want to say that I have considerable sympathy with the views of the leader of the opposition. I think his speech was constructive and had a good deal to offer. I want to make it clear that I have no sympathy for the Bay street mining interests. I feel that the government which I have the honour to support, in view of the action they took as to the income tax law, will do something to straighten out this difficult problem.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, I should like to say a word on this matter because I think it is of interest to all of us. When steps are taken by a department of government, as was done in this case, without any immediate recourse to the courts to prove whether a person is innocent or guilty, I think it endangers democratic freedoms. I hold no brief for persons who use the mails or any other facility to defraud

either the public of Canada or citizens of the United States. So long as speculation is legitimate, people who speculate, and particularly the smaller investor, should be protected as far as possible from victimization. If our federal and provincial laws are not sufficiently strong to deal with people who have the intent to defraud, and against whom a legitimate case can be made, then I agree with the leader of the opposition (Mr. Drew) that the laws of Canada should be strengthened. It is perfectly true, as was said by the hon. member who has just taken his seat, that under provincial and federal administrations there are a good many ways in which an individual can be penalized. It seems to me that in recent years, particularly since a number of licences and so on of different kinds have been granted, we have given to our officials a good deal of leeway in dealing with individuals.

The point was made a few moments ago that in the province of Ontario, for instance, the driver of an automobile may have his operator's licence taken away under certain circumstances without recourse to the courts. Of course Ontario is not alone in this respect, by any means; I believe the same thing can be done in all the provinces, because legislation in regard to these matters is more or less similar throughout Canada.

It seems to me that over long periods of years we have built up the right of the individual under the law to a hearing when accused, to be adjudged innocent or guilty, and to suffer the imposition of a penalty if guilt is shown. I know, because I have been long enough in this house to remember, that some people in the United States, including the government of that country, are anxious that mails from Canada to that country shall not be used to invite investment in companies or projects more or less fraudulent in their nature. I was on the external affairs committee, for example, when we had before us an extradition treaty. I remember the long inquiry into that matter, and the forceful reasons given at that time as to why a treaty of that kind should be entered into between our two countries. At that time there were people in Canada who were using the mails in order to defraud citizens of our neighbouring country. None the less I think the committee at that time was loath indeed to do anything that might unduly restrict the right of a Canadian citizen to be protected under our own laws.

In the matter that has been brought to the attention of the house this afternoon I believe the minister would be well advised not only to give consideration to some amendments that might strengthen the law, but to introduce amendments in the house this session in order that the law might be strengthened and the sort of criticism that has been levelled recently against the Post Office Department might not have any validity in future. I am perfectly sure that members of the house would welcome such legislation if it is necessary and desirable, but I do think we must beware lest we grant to officials of government a power over the citizens of this country which they should not possess.

The point I am trying to make is that if we are going to deal with matters of this kind, there should be a satisfactory law under which the authorities can act. As the leader of the opposition (Mr. Drew) said a few moments ago, a statute with fairly severe penalties for contravention of the law would be a better deterrent than merely picking up the mail or forbidding the use of the mail to an individual. The minister shakes his head; I may be wrong. Let me point out to him, however, that in denying the use of the mails there is a possibility that innocent people may have their legitimate rights restricted and be punished without any real cause.

I do not know these people whose activities are under discussion at the present time, nor am I particularly anxious to learn who they are, because here again we may find that among them are people innocent of any wrong-doing, and I would not want any name brought into the house which would be unjust to any individual who had no wrongful intent. But even some of the employees of these organizations have found it very difficult to obtain mail that perhaps they should have been able to obtain, and which may have had very little if any connection with the operations of the companies concerned. I understand that an attempt has been made to protect innocent employees, and I am glad to learn that. I do not believe the Postmaster General (Mr. Rinfret) or the Minister of Justice (Mr. Garson) would do knowingly anything unjust to an individual. Nor do I think the deputy postmaster general would do anything of the kind. I happen to know that gentleman, who was connected with this parliament for a long time in another capacity. But being human we are all liable to make mistakes.

I suppose the minister will have something to say on this matter before we leave it, and in all probability will reply to some of the statements and suggestions that have been made by the leader of the opposition. At the moment I must confess I do feel some apprehension lest without a statute, without a charge laid against an individual, we may do some innocent persons an injustice. I am interested in punishing anyone who may

defraud or intend to defraud, but I do believe this parliament must take cognizance of the risk involved when the sort of thing is done that is complained of here.

Hon. Stuart S. Garson (Minister of Justice): In view of the statement just made by the hon. member for Rosetown-Biggar (Mr. Coldwell), perhaps I should say a few words on this matter. With all deference I do not think a single argument has been developed this afternoon that is not fully covered by the statements made the other day by my colleague the Acting Postmaster General (Mr. Lapointe) and myself; so that in replying I am a little afraid I may offend the rule of the house which prohibits tedious repetition.

Mr. Coldwell: We will excuse that this afternoon.

Mr. Garson: There are one or two points which deserve to be clarified, I think. One is the statement that any action against offending stockbrokers, to take the present case, should be taken under the law. I want to make it as clear as I possibly can that the action taken in the present instance came squarely under a law passed by this parliament. It is not a new law, an innovation, but a law which has been upon the statute books of this country since 1889, and which has been invoked in case after case with beneficial results in preventing the mails from being used for the distribution of obscene literature, lottery tickets and fraudulent material. The suggestion that in what has been done there is anything outside the law, or contrary to British tradition, is quite incorrect.

The suggestion has been made this afternoon that when the Postmaster General invokes this section 7, subsection (d), of the Post Office Act, he can act arbitrarily, and if he does so he is immune from any process of the courts. Such a suggestion flows from an inaccurate conception of the law. The law, as I apprehend it, is that when a statute clothes an official with certain powers conditional upon there being a set of circumstances in relation to which those powers are to be exercised, he cannot give himself power which he does not have under the statute by arbitrarily or capriciously deciding that the set of circumstances exists, when in fact it does not. In relation to this case, therefore, and in relation to every one of those orders which have been issued, if there had been any arbitrary action on the part of the Postmaster General under which he issued an order without reasonable ground for suspecting that there was fraud, that action on his part, which in a true and a legal sense would be arbitrary, could be challenged in the courts and his order successfully attacked.

The member for Lake Centre (Mr. Diefenbaker) shakes his head, but I would refer him to a decision of the British Columbia court of appeal that was cited to us by Mr. McTague when he made representations on behalf of the broker dealers association. It was pointed out in the letter to me that he—the deputy postmaster general—

—does not seem to realize that the court in that case simply held that there was a right to exercise a discretion under the statute and the discretion having been duly and properly exercised, the courts would not review it.

Mr. Diefenbaker: What is the case?

Mr. Garson: It is the Literary Recreations case, which is to be found in 58 Canadian Criminal Cases, 385.

Mr. Diefenbaker: What was the nature of the application?

Mr. Garson: The nature of the application was that an order had been made upon grounds which the person offended contended to be arbitrary. An action for damages was brought against the official who made the order.

Mr. Diefenbaker: What was the nature of the order, if I might ask the minister?

Mr. Garson: I think it was an order of the same character as the one made here.

Mr. Diefenbaker: Under the postal act?

Mr. Garson: I think it was, but at any rate it was an order of the same statutory character, an order made by an official under statutory powers which he could exercise only if a certain set of facts existed. He found that that set of facts existed, and made the order. The persons who were affected by it brought an action against him for damages, alleging that he had acted arbitrarily and that there were no real grounds in fact for the exercise of his statutory jurisdiction.

In that case the court of appeal of British Columbia held, first of all, that where a proper set of circumstances could be shown in a case of that sort the person offended would have an action for damages, but on the facts of that case the court thought the official had exercised a reasonable discretion, and the claim was not allowed. If the Postmaster General had acted arbitrarily in any one of these cases that are under discussion, and had presumed to make an order under section 7, subsection (d), when there were no reasonable grounds for suspecting the mails were being used for fraudulent purposes, then his action, in the true sense arbitrary because it would be beyond the jurisdiction which parliament purported to

invest in him, could be made the subject of a case in the courts. In that way, it could be reviewed by the courts. It is not correct to say his action could not be reviewed by the court, or that it is beyond review by the court.

I do admit, Mr. Speaker, that the remedy presently available to challenge an action, if it happens to be arbitrary, is a little difficult from the legal standpoint. What is more important from the standpoint of the broker —this was clearly established in the excellent presentation the leader of the opposition made this afternoon—is that while this case was proceeding, some of the broker's business might be lost. I believe we would be presuming a great deal in this house if we were to suggest that these provisions in the Post Office Act which have been invoked with great benefit to society many times over a long period of years should be eliminated. We have been quite frank with this house in saying that the present remedy is not very satisfactory. It may cause a legal delay, and it may in that way create secondary effects upon the offending person which are out of all proportion to his deserts. The move which we have under consideration, therefore, is that of providing an appeal from the order, and not an obscure appeal or an appeal which will take a long period of time, but a summary appeal. Once an order had been made, the citizen offended could make a quick application to the courts and get the whole matter before a judge, with the power to bring in any relevant evidence which he could adduce in addition to that which the Postmaster General considered. Then the whole matter could come before the courts in such a way as to completely minimize the harm that would be done to an innocent person.

Mr. Diefenbaker: Will the minister tell me whether the case to which he referred is Caldwell *v.* Reilly?

Mr. Garson: No, it is Literary Recreations *v.* Sauve. We believe that if that is done, the wise course is to retain the provision in the law, the value of which has been demonstrated in a large number of cases. As my hon. friend the leader of the opposition said, there are eleven hundred current cases in which this law has been invoked. If there had been that number of instances of arbitrary decisions, does one suppose for a moment, Mr. Speaker, that this house would not have heard about the matter long since? In the present case, involving operations on a large scale financially, does one suppose that if those brokerage firms were very badly treated some application along the lines of this B.C. case would not have been made to the courts before now? Instead of that we have an excellent statement from Mr. McTague on behalf of the broker dealers association. We have sent back to him what we think is a constructive reply. Since then I have received a letter from Mr. McTague to the effect that, while he does not concur in much of the material in my reply because it was in rebuttal to what he had said, he is going to submit to the government in due course the brief which we suggested he might submit. When that brief is received, we certainly intend to consider it, and unless we change the conclusions which we have tentatively reached, we will in due course bring down an amendment to provide a summary appeal from these orders.

I should like to close with one further statement. We talk about encouraging the investment of risk capital for the development of our resources, particularly our mining or oil resources. As a result of nearly thirty years' experience in the practice of law—that is, including my public life—some part of which was in connection with mining law, I do not know of a single more constructive action that this house could take than to make sure that an investor would know, no matter in what country he lives or in what part of Canada he lives, that when he put in any sum of money that he wanted to risk in the development of our resources, he was going to be treated honestly and that he was going to get a good honest run for his money. I suggest, Mr. Speaker, that there is nothing that will deter the investment of risk capital in the development of our resources more quickly, more effectively and more permanently than the fear of investors that they are being treated fraudulently or are being cheated when they invest money in Canadian securities.

REPRINTING OF MEMBERS' SPEECHES

Mr. Angus MacInnis (Vancouver East): Mr. Speaker, I wish to take advantage of this opportunity to air a grievance which affects not only me but a great many other members of the house as well. I refer to the regulations affecting the reprinting of members' speeches during the sessions of parliament. On July 14, 1947, the joint committee of the Senate and the House of Commons on printing presented its second report. Concurrence in that report was moved, and the report was adopted by the house on July 15. The report contained regulations affecting the reprinting of members' speeches. As the regulations are short and to the point, I shall read them. They are as follows:

(1) That the official printing of parliament take precedence over the reprinting of such speeches as are ordered by the members individually.

(2) That in the reprinting of members' speeches the following rules be strictly adhered to:

(a) Each reprint of a speech or speeches ordered by a member shall be an exact replica in context of the report as printed in the debates of the Senate, or the House of Commons debates, without any deletions therefrom or additions thereto;

(b) Each reprint shall contain the speech or speeches of one member only in the same pamphlet;

(c) Such reprints shall contain no subheadings, photographs, or illustrations, and only such subject-matter or main headings as appear in the official reports;

(d) No special cover shall be used and no covering letters shall be added to or included in the speeches so reprinted.

The regulations in regard to the printing of speeches are clear and concise. I have not paid any attention to what other members have been doing with regard to their speeches; but any of my speeches that I have had reprinted I have sent to the king's printer with these regulations in mind.

In order to make doubly sure that the members would know what the regulations were, each member, I believe, received from the king's printer a card having the schedule of the printing costs on one side and the regulations that I have read on the other.

Despite this fact, it has come to my attention that the king's printer is printing speeches of members of parliament which do not adhere to these regulations. My grievance or complaint is that I am quite ready to adhere to the regulations laid down by this House of Commons, but I want every other member of the House of Commons to have to do the same thing. I object to any other member having a privilege in this house that I have not.

I have in my hand here a copy of a reprint of a speech that was made in this house by the Minister of National Health and Welfare (Mr. Martin) on March 10, when he introduced the motion for the appointment of a joint committee of both houses of parliament on old age security. It may be said that this reprint is issued by the Department of National Health and Welfare. But on the face of it it is clear that such is not the case. There is on the cover—a white cover of much better quality paper than the ordinary *Hansard* paper—a heading: "Canada Reviews Old Age Security, by Hon. Paul Martin, Minister of National Health and Welfare." I do not know whether the Minister of National Health and Welfare reviewing old age security is the same thing as Canada reviewing old age security. At the bottom of the cover appear these words: "Address delivered in the House of Commons, Ottawa, Friday, March 10, 1950." This is clearly a speech by a member of parliament and reprinted for circulation in his constituency or wherever else he may wish to circulate it. This reprint contravenes the regulations in a number of instances. Let us take, for instance, 2 (c) which reads:

Such reprints shall contain no subheadings, photographs, or illustrations, and only such subject-matter or main headings as appear in the official report.

I have counted the number of subheadings in this reprint and they amount to ten.

I also made a speech in that debate, and I think it was a fairly good speech. That, however, is only a personal opinion and I may be biased. However, the reprint appears just as it appears on *Hansard*, in the daily copy, without any breakings of subheadings at all.

Mr. Coldwell: And the printing is different.

Mr. MacInnis: Oh yes, the printing is different, of course. I am not complaining particularly about that, although I should like to have the same large print and the same good quality paper that the Minister of National Health and Welfare, or whoever paid for this, can afford. I always pay for my own; and I am willing to pay for what I ask for and for what I get. The point I wish to make is this. When this reprint of the Minister of National Health and Welfare's speech reaches his constituents, they have a fairly presentable piece of literature which is fairly easy to read. When my speech reaches the people of Vancouver East it is an altogether different looking piece of literature. I maintain that not only is this a discrimination against me as a member of parliament and against other members of parliament who adhere to the regulations; it is also a discrimination against our constituents as well.

The next time I decide to get reprints of a speech I make in the house I am going to put in subheadings; I am going to take it to the king's printer and then, if I am refused permission to have it printed in that way, both the king's printer and the House of Commons are going to hear more about it—unless in the meantime these regulations are rescinded or each member of the house is treated on the same basis.

There is nothing so undesirable and dangerous to a democracy as that the leaders in government and other leaders in public life should ask for and receive special concessions that the ordinary rank and file do not receive. In so far as that sort of thing obtains in our society, just so far is our society not democratic. Equality of rights and equality of privileges are essential in any democracy. I would ask some member of the government to give the assurance that each member of the House of Commons, from the

Prime Minister (Mr. St. Laurent) to the most humble backbencher—if there is one more humble than the other—will be assured that in all matters pertaining to the house and to the regulations made for our conduct in the house and in relation to matters connected with the house, shall have the same privileges as any other.

I would ask some member of the government to indicate, if he knows, how far the king's printer has been allowing or conniving in contravention of the regulations made here some three years ago in regard to the reprints of members' speeches.

Mr. G. K. Fraser (Peterborough West): Mr. Speaker, the hon. member who has just taken his seat has said that speeches by different ministers of the crown have been—

Mr. MacInnis: I mentioned only one.

Mr. Fraser: Just one, yes—reprinted and distributed. I have here statements and speeches from the information division of the Department of External Affairs. The publication I have before me is dated April 29, 1950; how many more there are, I do not know. This one is six pages in length, and purports to contain a speech delivered before the Reform Club of Montreal.

My view is that if speeches of the different ministers given before political clubs throughout the country are going to be mimeographed or printed and sent out, other people should have the same privilege. However, my personal view is that the taxpayers' money was not taken from them for that purpose, and I strongly object to speeches of ministers being printed in full, or almost in full, and then being sent out in that way.

Here is another issue containing a speech delivered by the Secretary of State for External Affairs (Mr. Pearson) in Hamilton.

Mr. Casselman: Before the by-election.

Mr. Fraser: Yes, April 24, before the by-election. This speech, eight pages in length, was delivered before the Hamilton chamber of commerce. Here is another one eight pages long delivered on March 27 in Toronto by the Prime Minister.

Mr. Casselman: Another by-election.

Mr. Fraser: Yes, another by-election.

Mr. James: Did you read it?

Mr. Fraser: Yes, I read it.

Mr. James: Did you learn anything.

Mr. Fraser: Even if we did learn something from it, I do not think that is the kind of political stuff that should be handed out. It is paid for by the taxpayers, despite the fact that taxes are sky-high at the present time. No wonder we cannot get them down.

[Mr. MacInnis.]

Mr. James: And the opposition is asking that more be spent.

Mr. Fraser: The opposition has never at any time asked that any more be spent on publicity of this kind. We have never suggested wasting the taxpayers' money. We have always tried to see that the taxpayer was given a fair deal—and he certainly is not getting a fair deal with the government in office at the present time.

The last weekly review issued by the Department of External Affairs quotes a speech by the Minister of Trade and Commerce (Mr. Howe), and also some smaller items concerning the Secretary of State for External Affairs. Then on the very back sheet in a small square we find this: "Mr. Drew's motion defeated." It praises all the others, and then in one small item it tries to belittle somebody else.

All this is uncalled for. I do not think these publications are necessary, even if they are sent out to embassies in other parts of the world. I do not think that is what the taxpayer wants. It is not helping the country in any way, and all it is doing is to build up a big Liberal political machine at the expense of the taxpayer. I certainly object, and I know many taxpayers across this country who object with me. I have on file many letters dealing with the subject.

Not only these, but many other items and speeches by ministers of the crown are printed at the expense of the taxpayers, or sent out in mimeographed form. It is high time things of that kind were stopped.

SUBSIDIES—COST OF LIVING—DISCOURAGEMENT OF PRODUCTION

Mr. J. H. Blackmore (Lethbridge): Mr. Speaker, I rise to voice the grievance that His Majesty's government is neglecting to employ adequately the device of subsidies in Canada's economy. There are four major evils the effects of which are placing an onerous weight upon the people in the federal riding of Lethbridge and the other people of Alberta.

In the first place we have the evil of the excessively high cost of living. I do not know when something is going to be done to stop this upward trend in the cost of living. It is beginning to be a very serious matter, and people are wondering how they are going to live. Then we have strikes which bring prices up still more. Great numbers of people are completely helpless in the grip of this situation. The wise use of subsidies in 1946 would have prevented that sort of thing. If there is going to be any remedy provided today it must take the form of some measure of subsidy.

The second evil which is resulting from this government policy is the discouragement of producers because of the uncertainty of prices and markets. Within the last two years we have seen the discouragement of the production of such commodities as hogs, poultry, dairy products and beef. Someone will say that surely there should be no discouragement of the production of beef with prices so high at the present time; but the fact is that many people in my constituency are fearful of going into the production of beef because they fear that prices will collapse. There is only one way whereby we can guarantee stability of prices and stability of cost of production so as to assure the producer that he will have a chance of making good in production, and that is by the wise use of subsidies.

The third evil which is weighing upon my constituents and upon my province is the result of strikes which come from these high costs of living. These strikes force up prices. Nowadays strikes are never allowed to materialize when they can possibly be prevented, but prices are raised nevertheless. The consumer is paying for these strikes. Prices are rising and thereby indirectly affecting the welfare of the producer. Something must be done and done soon.

The fourth evil is of such a nature that by reason of that evil, in the first place, the ordinary consumers are penalized for living in Alberta; in the second place, Alberta's primary producers are inequitably handicapped as compared with the producers in other provinces in the dominion; in the third place, the ordinary economic development within Alberta is impeded more than is the case in any other province; in the fourth place, interprovincial trade between Alberta and British Columbia is hampered most inequitably as compared with what obtains throughout the rest of Canada; and, in the fifth place, a tariff wall in effect has been erected against Alberta in reference to the other provinces of Canada.

Those five ills may appear difficult to prove, but if I had the opportunity and time, which probably I have not today, I could support each of those charges to the complete satisfaction of everyone in the house and in the country.

Let all discrimination as between the central provinces and the maritimes and the western provinces be removed in respect of this fourth evil which results from the failure to use subsidies. Then let subsidies be employed to bring about an equitable and stable freight rate structure throughout Canada. The fourth evil which I have been discussing results from the failure to use subsidies to overcome inequitable freight rates.

These freight rates have already been the cause of the most grievous disadvantage to people in the west and the maritimes. We have seen three increases in freight rates and we are now faced with a tremendous effort to raise freight rates again. All of these raises are in addition to the inequitable structure which obtained in the first place. We are threatened with strikes for increased wages which the railroads tell us will increase their costs to such an extent that freight rates will have to be raised again. Where on earth is this thing going to end?

The time has come when something should be done about this matter. It may possibly be that the railroads are not getting enough revenue. If that is the case there is no reason why more than a fair share should be taken out of the four western provinces. The time has come when something should be done to arrive at an equitable and reasonable freight rate structure to be charged all over the Dominion of Canada on a similar per ton mile basis. As matters are now, we are continuing in a chaotic manner and it would appear that nothing the provinces are able to do will change this.

I suggest that if the railroads simply must have additional revenue then they should be given that revenue by means of subsidies toward which everyone in Canada would contribute. As matters are at the present time the inequalities which make up the fourth evil I have been discussing, freight rates, now bear heavily upon the province of Alberta, and that province is not the only province in the west that is suffering.

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

DEPARTMENT OF FISHERIES

111. Departmental administration, $418,340.

Item stands.

DEPARTMENT OF JUSTICE

133. Departmental administration, $270,421.

Item stands.

Progress reported.

NATIONAL DEFENCE

CONSOLIDATION AND REVISION OF EXISTING LEGISLATION—ORGANIZATION FOR DEFENCE—CODE OF SERVICE, DISCIPLINE, ETC.

Hon. Brooke Claxton (Minister of National Defence) moved the second reading of Bill No. 133, respecting national defence.

National Defence

He said: Mr. Speaker, when the resolution preceding this bill was before the house on April 18 and when the bill was given first reading I stated the objectives of the bill, as reported on page 1681 of *Hansard*. I stated at that time that the bill had been dealt with in the other place where it was introduced at the last session of parliament and where it received third reading on December 8 of last year. However, the prorogation of parliament prevented our proceeding with the measure in this place and consequently it was necessary to introduce it here. That was done by a resolution which was put on the order paper on February 21, and, as I have said, first reading of the bill was given on April 18.

When the measure was before the Senate and during the debate on the defence estimates last session I indicated that it was the intention of the government, if the bill received second reading, to refer the bill to a special committee of the house to be set up, if that was the wish of the house. Accordingly notice has been given in *Votes and Proceedings* of May 12 of the intention to set up such a special committee. If this bill receives second reading it will be the intention of the government to send it to that committee.

It is also our hope that Bill No. 134, to amend the Militia Pension Act and change the title thereof, will receive second reading when it will be referred to the same committee. Finally there is a third measure in the form of a resolution which deals with prize money. If that resolution is adopted and the bill to be based on it given second reading it will be our intention likewise to refer that bill to the proposed committee for consideration. Therefore the committee, if the motion is adopted, will have to deal with all three bills relative to defence.

I do not wish to delay the house further in its consideration of this measure beyond making a few remarks to outline the history of this type of legislation. The first Militia Act of Canada was passed in 1868, the year after confederation, as chapter 40 of the statutes of that year. The act has been revised on a number of occasions but there has been very little substantial change. The present Militia Act is chapter 132 of the revised statutes of 1927. The antiquity of the measure may be appreciated when I recall that, until the passage of an amendment that I introduced in 1947, the Militia Act referred to pack animals but made no mention of aircraft. The Militia Act in its present form does not contain a code of discipline for the Canadian army but by reference incorporates into Canadian law the Army Act of the United Kingdom.

Turning to the legislation relative to the navy, the first Naval Service Act was passed in 1910 as chapter 43 of the statutes of that year. It remained in substantially the same form in which it was passed until 1944 when, by chapter 23 of the statutes of that year, a completely new act was passed. That statute introduced a Canadian naval disciplinary code. This was the first Canadian code to apply to one of the three armed services, and it has been used as the basis for drafting many of the provisions of the present bill.

The first legislation dealing specifically with the air force was the Air Board Act of 1919, later known as the Aeronautics Act. This act dealt with both civil and military aviation. The expanded activities of the Royal Canadian Air Force in the late war resulted in the enactment of the Royal Canadian Air Force Act in 1940. Unlike the Naval Service Act, but following the precedent of the Militia Act, this act contained no disciplinary code. As in the case of the Canadian army, discipline in the air force is governed by the Air Force Act of the United Kingdom which was made a part of air force law by incorporation.

Under the Militia Act, the Naval Service Act and the Air Board Act each of the Canadian forces was administered separately. The department of militia and defence dealt with the army, the department of naval service with the navy, and the air board with the air force. In 1922 the Department of National Defence Act was passed creating a new department to deal with the three services. This act was chapter 34 of the statutes of 1922, and came into force by proclamation on January 1, 1923. The Department of National Defence Act has been amended on four different occasions. The principal amendment, made in 1940, provided for the appointment of additional ministers of national defence.

Experience gained during the last war showed clearly the need for more unified control and greater uniformity in the three services. Further, the present position and status of Canada make it undesirable to depend for the discipline of our army and air force upon legislation enacted by a legislative body not responsible to the people of Canada. Accordingly, soon after becoming minister I directed that work be commenced on the preparation of a single all-embracing Canadian statute to include a common disciplinary code applicable to all three services.

I have previously partially explained to hon. members the course we followed in drafting the measure. It has been in the course of preparation now for some three

years, and it is the product of the work in the first instance of officers representing the three services working under the judge advocate general. In this connection I should like to pay tribute to the judge advocate general, Brigadier R. J. Orde, for his service which was completed with his retirement from the armed forces this very week after thirty-two years in the judge advocate general's branch and thirty-seven years' service in all. During his service he has had an unusual series of responsibilities in connection with legal matters relative to the acts to which I have referred, the Militia Pension Act, the bringing about of a state of war in Canada, the mobilization of the Canadian armed forces, the demobilization of the forces, and many other measures of great importance and complexity. In all these duties he has rendered the most loyal service, and in a very real sense the bill now before us is a lasting monument to his own achievement and work.

It will be found that the bill has 251 sections. It incorporates in its terms legislation which comprised over 600 different sections. Therefore it is not only a consolidation of existing legislation but also a considerable simplification thereof. It is intended in the bill to give effect to the experience of the Canadian armed forces during the two world wars. We have also taken into account the experience of the United Kingdom where a committee was set up under Mr. Justice Lewis which has made a most important report to the government. We have also taken into account the experience of the United States where a committee appointed by my friend, the late Hon. James Forrestal, reported to the secretary of defence and as a result led to legislation which in many ways is parallel to that now before this house.

The importance of the legislation can hardly be overemphasized. Not only will it provide for the administration of the Department of National Defence, the discipline of the armed forces, the work of the defence research board and many other matters but in view of the increased and increasing importance of defence, as I believe hon. members will recognize, there is a real urgency that we should have streamlined legislation to regulate these important matters. Of course at the present time the legislation affects the 48,000 odd officers and men in the active forces, the 49,000 in the reserves, and to a considerable degree the 24,000 civilians working in the Department of National Defence, a total population of something like 120,000. In the event of war its importance can be appreciated when hon. members recall that we had in the armed forces of Canada in the last war no less than 1,200,000 men and women who, during their periods of service, were all governed by the provisions of legislation which the bill will now replace.

As I said to hon. members, the legislation received the most serious and painstaking consideration by a committee in the other place. In consequence a considerable number of amendments, largely of a technical character or affecting the wording, were made. The bill now before the house includes all these amendments without any alterations, but in addition it contains certain sections which were not considered in the other place because we were advised they dealt with money matters. They are sections 10; 11; 12(4); 36; 53(3), (4) and (5); 54(a) and (d); 55; 190(9); 208 and 227. We were advised that those clauses dealt with money matters, with which the other place did not deal, so they are coming before this house for the first time. The bill also has a number of minor technical changes made on the advice of the law officers of the Department of National Defence and of the Department of Justice since the measure passed the other place.

The result of all this work is now before the house. As I believe I indicated previously, this is the eleventh complete draft. I have been through the drafts five times myself, and it has received the consideration of senior officers of the armed forces, of the chiefs of staff committee, of a special committee of the cabinet, the cabinet defence committee, and of the cabinet itself on a number of occasions. It has also been subjected to critical examination by officers who had previous experience in the armed forces of Canada. Despite all the work that has gone into it, however, we do not suggest for a moment that the bill is perfect. It is an exceedingly difficult, complex and comprehensive piece of legislation. We have made it as simple and plain as we can, but certainly it can be improved. We hope the house will adopt the suggestion I have made and refer it to a committee consisting largely of men having service experience in one or other or both wars, who will then receive the views of the legal advisers and any relevant service personnel; and I have no doubt they will be able to make a number of improvements. We want the best possible act, and we invite the co-operation of every hon. member of this house, as well as those in the other place, in the interests of greater justice for the services, greater efficiency for the department, and more security for Canada.

Mr. G. R. Pearkes (Nanaimo): Mr. Speaker, as I indicated when this legislation was in the resolution stage on April 18, members on this side will be pleased to co-operate with the government in facilitating its passage.

I repeat now that we will give our most wholehearted co-operation in trying to help the minister produce the very best possible legislation to meet the circumstances. When we were at the resolution stage I did suggest that since the hour was late when that discussion took place, we should be given the opportunity to have a full discussion, if that were required, on the motion for second reading, and to that suggestion the minister gave his consent.

Before making some reference to the bill itself I should like to join the minister in extending my congratulations, and perhaps to a certain extent my sympathy, to the judge advocate general who is retiring this week after so many years of service. I know that when one has spent the greater part of a lifetime in the service it comes as a bit of a wrench to enter different fields in civilian life. I do not know whether the judge advocate general has any intention of following in my footsteps and perhaps entering public life in any sphere, but I am sure all hon. members will wish him every success and all happiness.

As the minister said, to a large extent this legislation is a consolidation of various existing acts. It is designed to bring about unification between the services, unification in the administration of the services, and also to establish a distinctly Canadian code of discipline which as far as practical may be uniform in the different services. As the minister has pointed out, at the present time the three services are administered under separate acts, the Militia Act of 1927, the Naval Service Act of 1944, and the Royal Canadian Air Force Act of 1940. I do appreciate the tremendous task with which those who drew up this bill were faced in order to bring together all that legislation into one measure.

This bill has been divided into thirteen parts, but generally speaking it consists of three divisions. The first deals with organization, the second with the code of service discipline, and the third with general provisions such as aid to the civil power. A few moments ago the minister indicated that the bill contains some 251 clauses, which replace more than 600 clauses in these other acts. When this bill is sent to committee I do hope it will be appreciated that there may be sins of omission as well as sins of commission, and that after compressing so many sections into a comparatively limited number of clauses it is possible that something may have been left out. So I hope the committee will be permitted to consider the sections of the previous acts that have been left out, and not have its activity and discussion confined to the limited number of clauses in this bill. Before this bill is sent to committee I hope the minister will give us that assurance.

In dealing with the first part, covering organization, in the very beginning one comes across a clause which was in the old Militia Act but which, as far as I can see, is not in this new bill. I refer to section 4 of the Militia Act, which provides that the command in chief of the Canadian army is declared to continue and be vested in the king and shall be exercised and administered by His Majesty or by the governor general as his representative. I must confess to some surprise at finding this clause left out of the present bill. Oh, I know no one would expect His Majesty to take command of a cruiser, or to appear on parade and give an order to a troop of cavalry, but all soldiers, sailors and airmen are king's men, and they have valued the fact that His Majesty is their commander in chief.

Mr. Claxton: I quite agree. It was omitted because it is in section 15 of the British North America Act already, and we did not think we should repeat the same provision in this act.

Mr. Pearkes: Those things could be explained no doubt in committee, and that is why I am requesting that where these sections have been omitted we might have an opportunity of asking about them, and not be confined rigidly to the sections in this bill. I give that as a example of a section which has been omitted, and the reason for omitting it is not readily apparent to everybody.

There may also be a good reason for omitting section 8 of the old Militia Act, under which there was a definition of the obligation of service of the citizens of Canada. I know it is out of date because it refers to levy en masse, to enrolment by ballot, and so forth, but I am not sure it is wise to remove from this new act the obligation of service on the part of Canadians. It is quite obvious the obligation is recognized, because when the Secretary of State sends out letters of congratulation to new Canadians who have taken out their naturalization papers, he mentions the fact that one of the obligations is that of service in time of necessity. I shall quote from a letter which he sent to a Chinese resident of British Columbia, and I think it is a form letter. After extending congratulations upon receiving Canadian citizenship he says:

> Your citizenship carries with it the obligation of defending your adopted country in time of need.

Perhaps that is another example of a place where an opportunity should be given to the committee to ascertain the reasons for the elimination of clauses pointing out to the

citizens of Canada that they do have some obligations towards the defence of their country.

In the division dealing with the organization of the army, I think there is a distinct change in the definition of the responsibilities placed on the chief of the general staff. In the past it was the responsibility of the chief of the general staff to co-ordinate the other branches of the staff, the adjutant general's branch, the quartermaster general's branch, and the master general of ordnance branch, but from what study I have given to this Bill No. 133 it would seem that the chief of the general staff is now to assume more the role of a chief of staff than of the co-ordinator of all branches of the staff.

Coming to the second division, the code of discipline has been made to apply to the servicemen of the three services. It is unnecessary to point out that a man in the service is also subject to civil law. Apparently the framers of Bill No. 133 have had considerable difficulty in adjusting the various codes of discipline of the three services, and unification of this division has not been as easy as perhaps it was hoped it would be. One notices that there are several sections which are applicable to naval personnel only. There is a general trend throughout this division to increase the powers of a commanding officer in summary trials. I imagine that has been done in order to conform with the disciplinary powers of a captain on a ship. I am not sure that on land it is either necessary or desirable to increase the summary powers of the commanding officer. It may be argued, however, that that will reduce the number of courts martial which have been held in the past.

I know quite well that during the early part of the last war a large number of courts martial were held. I am inclined to think that was more because the commanding officers did not apply the powers that they had, and I doubt very much whether it is necessary to increase those powers. I hope there will be no trend to increase the severity of military punishments, because over a number of years, 150 years and more, there has been a gradual tendency towards reducing the severity of military punishments which, first of all, were administered under the Mutiny Act, and then under the articles of war. It is less than 150 years ago that corporal punishment was abolished. Since then, step by step, the severity of military punishments has been reduced. One step was the introduction of detention as a substitute for imprisonment in the case of a purely military offence. Then there was a reduction in the number of military offences which were punishable by death, and there was also a modification of field punishment.

One group of clauses in this act which I think will be welcomed are those which provide an opportunity of appeal from the ruling of courts martial. I am not sure that we could not have gone much further in that respect than has been done in Bill No. 133. The appeals from decisions of courts martial will be referred to a special board composed of judges and non-service personnel. Many crimes which are of a military nature are also crimes which are dealt with in civilian life by the ordinary courts of law. I am not certain that it might not have been desirable to have restricted the number of military crimes, so that there would have been only those crimes which are essentially of a military nature to be dealt with by courts martial. Service personnel could be sent to the civilian courts during peacetime in preference to courts martial. The members of a court martial are not always well versed in the law. They are not twelve good men and true drawn from the same status of life as the serviceman who appears as the prisoner.

Mr. Stick: They are usually fair-minded, though.

Mr. Pearkes: That is a debatable point, as to whether they are usually fair-minded, because they are always appointed by a senior authority. I have known cases in which instructions have been sent out to officers who might be sitting on courts martial in the near future, that their opportunities for promotion would be judged largely by their manner in insisting upon discipline and not showing any weakness in awarding punishment. I know it is a legend that a court martial is the fairest court of all; but there is grave doubt in my mind as to whether that is actually the case.

We now come to the last and final division, that of general provisions dealing with aid to the civil power and so forth. During the last few weeks we have been faced with an emergency in which the armed forces of the country have been playing a splendid part in helping the civilian authorities. A few years ago there were the floods in the Fraser valley. Today there are the floods in the Red river valley. Last week there were serious fires at Rimouski and other places. I wonder whether the sections dealing with aid to the civilian power should not now be made more all-embracing so that instead of dealing only with questions of riot, they might also deal with the allocation of authority in cases of fire and flood.

As the minister has said, there are not a great many of the provisions in this bill which are of a highly controversial nature. I should like to offer my congratulations to the framers of the bill. As I said previously, there will be every desire on the part of members from this party who will be serving on the committee to help facilitate the work. We appreciate the statement made by the minister that he will welcome our suggestions and our co-operation to try to improve the existing bill. Because of the fact that a number of sections of the previous bill have been eliminated, and also because of the financial implications to which the minister has already referred, I hope that reasonably wide latitude will be given to the committee to make a thorough investigation into all the ramifications of this bill.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

PRIVATE BILLS

UNITED SECURITY INSURANCE COMPANY

Mr. J. H. Dickey (Halifax) moved the second reading of Bill No. 205, to incorporate United Security Insurance Company.

Motion agreed to, bill read the second time and referred to the standing committee on banking and commerce.

APOSTOLIC TRUSTEES OF THE FRIARS MINOR OR FRANCISCANS

Mr. Paul E. Cote (Verdun-La Salle) moved the second reading of Bill No. 206, to incorporate the Apostolic Trustees of the Friars Minor or Franciscans.

Mr. Blackmore: Would the sponsor give an explanation of the bill?

Mr. Cote (Verdun-La Salle): Mr. Speaker, as may be read in the preamble to the bill, the Franciscan order is a religious order under the constitution and rules whereof the members collectively and individually have precluded themselves from owning and administering any real or personal properties. It has been in their tradition during the seven hundred years of their existence to have the administration of any of their material interests made by bodies of trustees appointed under their apostolic rules and constitutions. Since being established in Canada they have been regulated in their temporal administrations by an act of the legislature of the province of Quebec in 1893, which was amended in 1899 and again, I believe, in 1936. However, as the order developed and established other institutions in other provinces this incorporation became inadequate.

The purpose of the bill is to raise on the national level the powers which the petitioners herein have enjoyed under the provincial statute of Quebec to which I have just referred. The powers sought are the usual powers accorded by parliament in incorporations of a similar nature.

Motion agreed to, bill read the second time and referred to the standing committee on miscellaneous private bills.

THE CANADIAN COMMERCE INSURANCE COMPANY

Mr. W. A. Robinson (Simcoe East) moved the second reading of Bill No. 207, to incorporate the Canadian Commerce Insurance Company.

Some hon. Members: Explain.

Mr. Robinson: This is the usual type of application for incorporation of an insurance company intending to engage in fire, automobile and other types of insurance as indicated in section 6 of the bill which, I believe, has already been distributed. I believe the bill is in the usual form followed in such bills and contains only those sections pertinent to bills of this kind.

Motion agreed to, bill read the second time and referred to the standing committee on banking and commerce.

SASKATCHEWAN MUTUAL INSURANCE COMPANY

Mr. E. A. McCusker (Regina City) moved the second reading of Bill No. 208, to incorporate Saskatchewan Mutual Insurance Company.

Mr. Graydon: I understand the sponsor of the bill is very anxious to give a full explanation, and I suggest he should be given the opportunity.

Mr. McCusker: I can assure hon. members I am not anxious to speak in the house more often than is necessary. However, if the house wishes an explanation I might say that this is the usual type of bill to incorporate companies of this kind. If hon. members would like to have a more detailed explanation, I shall be pleased to give it. Otherwise I would ask them to accept it as the usual bill of its kind.

Motion agreed to, bill read the second time and referred to the standing committee on banking and commerce.

INDUSTRIAL RELATIONS

AMENDMENT OF ACT OF 1947-48—REINSTATEMENT AND COMPENSATION

Mr. J. W. Noseworthy (York South) moved the second reading of Bill No. 10, to amend the Industrial Relations and Disputes Investigation Act (reinstatement and compensation).

He said: Mr. Speaker, this amendment proposes to add a new section to the Industrial Relations and Disputes Investigation Act in the following words:

> The board shall have power to make an order requiring an employer to reinstate any employee discharged contrary to the provisions of this act and to pay such employee the monetary loss suffered by reason of such discharge.

The purpose of the amendment, as indicated, is to give power to the board to make an order requiring an employer to reinstate any employee discharged contrary to the provisions of the act, and to pay such employee or employees the monetary loss sustained.

The reason for introducing this amendment with the approval and at the request of the trade union movement, and with the approval of the heads of the two labour congresses, has arisen from certain cases which have developed in Ontario, where their industrial disputes investigation legislation was modelled along the lines of the federal act.

Let me give one example to illustrate the cases which have arisen and have been brought before the courts in Ontario. On July 29, 1948, the consent of the Ontario labour relations board was obtained in respect of a prosecution for the offence of refusing or failing to comply with an order of the minister of labour, by refusing to reinstate the named employees in the employment of the firm. The charge was brought to the court and heard before a magistrate. The magistrate found that the men had been fired and referred to the order that they were to be taken back and said that the company had done nothing to take them back. The magistrate went on to point out that under the act he could do nothing but pronounce a conviction and impose a penalty, and in that case the penalty was fixed at $3,120. The company appealed to the county court and the county court judge upheld the conviction and the fine, but found himself unable to give an order reinstating the men who had been fired or granting compensation. The county court judgment was given on September 7, 1949, and up to this day the company has refused to take back the employees or to compensate them. Apparently there is no authority under the act whereby a court or the board can make such an order. It is to give the board the authority to order the reinstatement of men fired under those circumstances and to compensate them that this amendment is introduced.

Mr. Smith (Calgary West): Was an action taken to obtain compensation for the wrong that has been done?

Mr. Noseworthy: The case was brought before the Ontario labour relations board in the first instance, which board issued an order that the men should be taken back. The company refused to take back the men and the case went to the magistrate's court where a conviction was given and a fine imposed. The magistrate declared that there was no authority under the act to issue an order for the reinstatement of the men. The case was then appealed to the county court.

Mr. Mitchell: Can my hon. friend give me the name of the company?

Mr. Noseworthy: The case was brought by the International Woodworkers of America against Canada Cabinets and Furniture Limited of Kitchener.

Mr. Smith (Calgary West): I can quite understand the magistrate saying that he had no right to award damages although the company was liable to a fine under some punitive section, but has any action been taken by these men for wrongful dismissal? Surely a dismissal against the provisions of the act must be wrongful.

Mr. Noseworthy: The only suggestion made to the employees was that they should bring a civil action against the company but apparently there were difficulties that rendered that practically impossible. While that is under consideration, the action has not been taken as yet.

Hon. Humphrey Mitchell (Minister of Labour): Mr. Speaker, I do not know whether I should speak now but there are one or two fundamentals in connection with this legislation that perhaps should be referred to. We are now dealing with legislation which was passed by this parliament, not by any province. I have always taken the position that the labour relations board is not a judicial body. In a court action there would be a judge with some knowledge of the law and perhaps a jury composed of people like my hon. friend.

My experience in the administration of this legislation has been that it should be based on conciliation instead of having recourse to the courts. That is why in the dominion field the minister is given authority to appoint industrial disputes inquiry commissioners to look into breaches of the act. As I say, my approach to labour problems in the federal field has been based on conciliation rather

than the courts. During the war I had jurisdiction in labour relations in all the provinces and I found that conciliation was much more effective in establishing the rights of employees, and employers as well, in connection with labour relations.

As I have said before in committee and in this house, if it is thought that someone other than the minister should make the decision whether action should be taken by the employer, or the employee, I am quite prepared to accept that decision. I have been an industrial disputes inquiry commissioner and I have been up against difficult situations which were brought about, sometimes by one side, sometimes by the other, and sometimes by both sides. At times these matters are difficult to adjudicate upon.

Let me say that the angels are not all on one side. Even among the twelve apostles there were a couple of deadbeats. Without wanting to criticize this bill, may I say to my hon. friend that it hinges upon the bill introduced by the hon. member for Cape Breton South (Mr. Gillis) being passed. If that bill does not pass, this bill falls by the wayside because of the very nature of things. I have not read the judgment referred to by the hon. member, but I should like to read it. I should like to read to the house subsection 2 of section 40 of the act, which reads as follows:

> Where an employer is convicted for violation of paragraph (a) of subsection two of section four of this act by reason of his having suspended, transferred, laid off or discharged an employee contrary to this act, the convicting court, judge or magistrate, in addition to any other penalty authorized by this act, may order the employer to pay compensation for loss of employment to the employee not exceeding such sum as in the opinion of the court, judge or magistrate, as the case may be, is equivalent to the wages, salary or other remuneration that would have accrued to the employee up to the date of conviction but for such suspension, transfer, lay-off or discharge, and may order the employer to reinstate the employee in his employ at such date as in the opinion of the court, judge or magistrate is just and proper in the circumstances in the position which the employee would have held but for such suspension, transfer, lay-off or discharge.

Then it continues with the penalties which I am not going to read. I do not know whether they recently made some amendments to the Ontario act. Because I have been away for a short time I am not as well versed as perhaps I should be in what took place while that act was under discussion. To me there is sufficient weight of language in the section I read from the Industrial Relations and Disputes Investigation Act, an act not passed by the government but passed by parliament and unanimously agreed to by all parties in the house. As I say, in my experience in the administration of this legislation I have not run across any difficulty of the kind that my hon. friend has mentioned this evening.

I say in all sincerity that I have very fixed opinions on bureaucracy and the rights of individuals under the rule of law and habeas corpus, and it will take more than a member of the House of Commons to change my opinion. I do not think there is any substitute for the rule of law or habeas corpus. They are guarantees to my hon. friend, myself and every other hon. member of the house of the freedom that we have enjoyed since the days of Magna Carta. In these troublesome times that means something to me. There are countries behind the iron curtain where that is not the case.

Mr. Graydon: Another Blackstone.

Mr. Mitchell: I may tell the hon. member for Peel (Mr. Graydon) that I am not a lawyer. I am just an ordinary workingman.

Mr. Graydon: I was paying you a compliment.

Mr. Mitchell: I agree with you as to the compliment. You do not need to be a lawyer to have a measure of common sense.

Some hon. Members: Hear, hear.

Mr. Mitchell: I say that to my good medical friends, my good farmer friends, my good working-class friends and my good school teacher friend who introduced the bill, and who was born in the province of Newfoundland.

Mr. Graydon: You do not have to be a cabinet minister though.

Mr. Mitchell: Well, you will find out. I hope you will not do so in my lifetime but you may find out that this is a pretty lonely place to sit in. It is the end of the road, the place where you have to say yes or no.

Mr. Macdonnell (Greenwood): I am glad you know it.

Mr. Mitchell: I think I should know it. In my place you cannot preach economy on the hustings and then ask the House of Commons to spend $7 billion a year in additional expenses. I hope my hon. friend from Peel will never live to see the day when he has that responsibility because we are going to be in power for a long time yet notwithstanding the by-election in Hamilton yesterday. Some years ago I read a book which I think is a classic. It is easy to read because it is written in ordinary common language. It was written by Lord Hewart and is called "The New Despotism". I should

like to read an excerpt which I think is fundamental and elementary. At pages 21 to 24 he deals with the rule of law and he says:

> But the supremacy of law, as we know it, means something more than the exclusion of arbitrary power, and something more also than the equality of all citizens before the ordinary law of the land administered by the ordinary courts. It means that in this country—

He is speaking of Great Britain and I speak of Canada.

> —unlike some foreign countries,—

There are very few people in this country who would like to ape them, I am glad to say. Recently we had a minister of my faith here. If he wants to start a revolution my advice to him is to go back to Canterbury from where he comes and start a revolution there. I want to say to this ecclesiastical gentleman, if you can place him in that category, that he has not done any credit to the land of his birth because, irrespective of what government has been in power there, they have always had a deeper regard for freedom in its truest sense than his conception of freedom. I know something about these Cook's tours to Russia where they do not get any farther than the Kremlin and eat off the gold plates that the czars had in the old days. They think they have seen the country.

An hon. Member: Were you there?

Mr. Mitchell: My hon. friend asks whether I was there. Yes, I was there. I think a man's duty is to the institutions under which he lives; and, if I may say so to my Conservative friends, there are fewer communists in Canada today than at any time since I have been in the country. I should like to give some very simple advice. Let the communists advertise themselves. Do not advertise their cause for them. I grew up with one of their leaders in this country. I never mention the names of these people in public. Until he was put in the penitentiary he was unknown. My good friend the hon. member for Vancouver East (Mr. MacInnis) knows the gentleman I am talking about, and I use the term advisedly. Let the sun shine in. The best cure for communism in this or any other country is the right to express an opinion notwithstanding the fact that ninety-nine and nine-tenths of the people disagree with your opinion. I think the British people have proven that.

Mr. Smith (Calgary West): I am sure you never got that bad.

Mr. Mitchell: I may say to the hon. member for Calgary West (Mr. Smith) that I believe this sincerely and I have had some experience with these individuals. We used to handle them in a different way in Hamilton when I was younger.

Mr. Graydon: They are still handling them there.

Mr. Mitchell: We handled them in a different way.

An hon. Member: They took care of you there yesterday.

Mr. Mitchell: They took care of my hon. friend in that city.

Mr. Graydon: Your friend, too.

Mr. Mitchell: Hewart's book continues:

> Under the contrasted system, where the constitution is written out in declarations or definitions or rights, the rights of the individual may be said to be deductions drawn from the principles of the constitution. The contrast is vital and is to be traced to profound differences of history, of temperament, and of outlook. This is not the place for any comparison of the respective merits and advantages of the two systems. But it may at least be observed that, under the system which we know, it is far more difficult for constitutional rights to be suspended or taken away.
>
> To summarize the matter, it may be said that the "rule of law" comprehends and denotes the following principles:
>
> 1. No one can lawfully be restrained or punished, or condemned in damages except for a violation of the law established to the satisfaction of a judge or jury or magistrate in proceedings regularly instituted in one of the ordinary courts of justice. The rights of personal liberty and of freedom of speech, the liberty of the press—

While I am referring to the liberty of the press, I heard a great deal said about the press the other evening. The press has said some hard things about me but I have never objected. I am still a member of the House of Commons.

> The rights of personal liberty and of freedom of speech, the liberty of the press, and the right of public meeting, are all a result of the application of this fundamental principle.
>
> 2. Everyone, whatever his position, minister of state or government official, soldier or policeman, is governed by the ordinary law of the land and personally liable for anything done by him contrary to that law, and is subject to the jurisdiction of the ordinary courts of justice, civil and criminal.
>
> The plea of "act of state" is not permissible as a defence to an action in respect of anything done within the realm, or to any action by a British subject. It is confined to proceedings commenced by foreigners in respect of duly authorized acts done by officers or servants of the crown abroad.
>
> The crown—that is to say, the government—cannot itself be proceeded against, either by petition of right or otherwise, for any alleged wrong on the part of its servants. The remedy for any such wrong is against the individual wrongdoer. But in practice the crown as a general rule pays any damages that may be recovered against its servants for wrongful acts committed in the course of their public employment.

3. No one who is charged with a violation of the law can effectively plead, either in a civil or in a criminal court, that his act was done in obedience to the command of a superior, even the command of the king himself. The maxim "The king can do no wrong" imports not only that the king cannot be proceeded against for any alleged wrong, but also that he cannot authorize any wrongful act so as to justify the wrongdoer.

The right of personal liberty is the right not to be arrested or detained or otherwise subjected to physical restraint except in accordance with the law. And to speak generally, that is to say, except in the case of persons who are not sui juris, or persons subject to military law, the law recognizes an arrest or any sort of physical restraint as justifiable only where the person restrained is suspected of having committed a crime and is arrested in order that he may be brought before the court for trial, or where he has been convicted of a crime and sentenced to imprisonment.

The law affords three remedies by means of which this right of personal liberty may be vindicated: (1) by the writ of habeas corpus; (2) by an action of damages for false imprisonment, and (3) by a prosecution of the person inflicting the illegal restraint—that is, a prosecution for assault.

I believe that should be an article of faith of every man in public life in this nation. I do not question the sincerity of my hon. friend. I do not question the sincerity of those who think the state should be all-powerful, though I might question their good common sense.

Mr. Noseworthy: No one does.

Mr. Mitchell: You have changed your tune just in the last few minutes. You get my point. I do not question your sincerity; I might question your wisdom, if any. But I want to say this, if I may—

Mr. Knowles: Stick to habeas corpus.

Mr. Mitchell: My hon. friend is smiling about habeas corpus. He is the nearest approach to a habeas corpus I have ever seen. The legislation we have is working reasonably well, I think. As I said before, it has been in existence for only a couple of years. I know some people sit up and burn the midnight oil figuring out how much better things would be if we just changed this and just changed that. This legislation was supported by all parties in this house; I am not taking credit for it on behalf of any political party, but I think it should be given a fair trial. During the war we established these war labour boards in an effort to get a broad crystallization of the experience of men who should know the implications of negotiation between employer and employees. We did experiment with a three-man board, but I think my hon. friends will agree that it was not as successful as the board we have at the moment or the board we had during the war. On these boards we have a judge as chairman; we have representatives of the construction industry, the railways, commerce and manufacturing generally on one side. On the other we have the trades and labour congress of Canada, the oldest labour organization in this country; the running trades, among the most responsible labour organizations in Canada; the newer organizations such as the Canadian congress of labour, that sprung into prominence and power largely through the establishment of the committee for industrial organization in the United States, and the national syndicates in Quebec, all of which in my judgment played a great part in the stabilization of labour conditions in Canada, which has been unexcelled by any other democratic country in the world.

That has been our experience. There may be some members of this house who have had more experience than these gentlemen to whom I have referred, but let us remember this. Once you set up this board as a judicial body by the very nature of things you must change its complexion. We have seen the difficulties they have experienced in the United States. I do not mean what I am going to say as a criticism of lawyers, because goodness knows when we get into trouble the first man we fly to is a member of the legal profession; but in the United States their first move is often to the courts. That is not my understanding of what you might call a practical approach to the differences which by the very nature of things exist between employers and employees in any free country.

Let us remember that if we did not have freedom we would not have a House of Commons. If we did not have freedom we would not have a Liberal party, a Conservative party, a C.C.F. party or a Social Credit party. If we did not have freedom we would not need trade unions, as we understand them; we would be, as they are behind the iron curtain, made to do as we were told, or else. No one knows this better than those who have been closely associated with this great movement down through the years. As I have said before, if you are an active trade unionist when you wake up in the morning and hear a knock on the door it is rather nice to know it is the milkman and not a policeman. That is something I have to say to my dictator friends. My hon. friend has been behind the iron curtain, though he does not say much about it; and I do not say that in any spirit of criticism. I say we should let the sunshine in. I meant to bring with me this evening the figures on the cost of living in Soviet Russia today. I do not know whether I should say this during the discussion of this bill, but it is not the money you have

in your pocket that counts, or what you get in your pay envelope; it is what that money will purchase.

Mr. Noseworthy: You cannot get anything if you have not got some.

Mr. Mitchell: My hon. friend does not look as if he did not have any.

Mr. Smith (Calgary West): According to the song, the best things in life are free.

Mr. Mitchell: We have to learn from the trade union movement in Great Britain. I have no criticism to offer of Great Britain. I was born there, but I do not live there now. I think the message of discipline and industrial statesmanship should be learned from the British trade union movement and the employers. It could well be emulated by the people of Canada. We have to learn that these concessions bring responsibility.

Turning now to the economy in general, I say that by the very nature of things every increase in profit, every increase in wages, must go into the price structure. That is one of the reasons, Mr. Speaker, why at this moment one sees so many British cars on the Canadian market. Price is the determining factor. When my wife or your wife goes out to buy a hat, she does not care who made the hat or what it looks like.

Mr. Graydon: You are in trouble tonight.

Mr. Mitchell: I just want to say this to the member for Peel; I notice he is laughing and I thank him for being in good company. It is the consumer who calls the tune. I have stated this problem in simple language that I think every man and woman in this nation can understand. This moment in our lifetime calls for a degree of industrial statesmanship in order to check the present inflationary tendency. We hear a good deal about old age pensions, and pensions supplied by industry. What is the use of promising to pay a man $100 per month at the age of 65, if by the time he reaches 65 the $100 is only worth $1 or 50 cents? I think we have learned our lesson from the inflationary movement in other countries. I have said these things in sincere language, and I hope I will be given credit for being just as sincere as the others who have spoken, and who would advocate old age pensions at 21 years of age.

Briefly, this labour relations board, if it were turned into a court, must necessarily change its complexion. I would be the last one to deny any person in this country the right to be tried by a jury of his peers, presided over by a man who understood the rule of law.

Mr. Angus MacInnis (Vancouver East): I should like to say a few words in support of this bill. I was not in the house when the Minister of Labour (Mr. Mitchell) began his remarks on it, but from what I have heard of his speech, if he does not mind my saying so, I would say a great deal of it does not refer to this bill at all. He has taken us all over the world, behind the iron curtain and back. This bill is all on this side of the curtain, if you understand what I mean. Let us consider what this bill proposes to do. It asks that a new section be added to the Industrial Relations and Disputes Investigation Act, providing that the board have the power to make an employer reinstate an employee discharged contrary to the provisions of this act, and pay to such employee the monetary loss suffered by reason of such discharge.

There is nothing in that amendment that interferes in any way with the rule of law. It is law. It is not contrary to the provisions of the Industrial Relations and Disputes Investigation Act. As a matter of fact, it is no more arbitrary that the board should make a decision such as is provided in this amendment, than that it should make any of the other decisions that the board may make. The decisions of the board are not subject to any appeal or any review by any court. The board's rulings are final, except in so far as they may be reviewed by the board itself. Let me read to you subsection 2 of section 61 which outlines the powers of the board. It reads as follows:

> A decision or order of the board is final and conclusive and not open to question or review, but the board may, if it considers it advisable so to do, reconsider any decisions or order made by it under this act, and may vary or revoke any decision or order made by it under this act.

Surely a board with such wide powers as those is not going beyond the realm of what is necessary, if it undertakes to make a decision in such circumstances as are mentioned in the proposed amendment. If a trade union—and when I say "trade union" I also mean an industrial union; I am using the word in an all-inclusive sense—is strong enough, it does not require a provision such as this. The trade union of which I am a member has had such a provision in its agreement with the company, as a result of collective bargaining, for over forty years. As I say, if any trade union is strong enough it does not require to have legislation of this kind to protect its members in their relation with their employers. It is able to insist that the provision be inserted in any collective agreement that may be

entered into. But all unions are not strong, and all employers are not reasonable, any more than all unions are reasonable.

The Minister of Labour referred, and I think rightly so, to the statesmanlike policies and actions of the British trade unions during the last ten or twelve years. I agree with him. Their restraint is an object lesson to trade unionists all the world over. But you must remember that along with that statesmanship and really giving birth to it was the responsibility that was put on the shoulders of these trade unionists, particularly during the last five or six years.

I do not want to talk this measure out, Mr. Speaker, and although there is much more that I should like to say, I will conclude by saying that it would be much better to deal with the amendment purely on its merits rather than to take us on a merry-go-round all over the globe. You may not agree with it. The Minister of Labour (Mr. Mitchell) may not agree with it. The members of the house may not agree with it. Nevertheless, it is a simple amendment; and it is not contrary to the principles or procedure that at present exist in this country between employers and employees. I suggest that no harm could be done; and I am sure it would serve some good purpose if this amendment were made to the Industrial Relations and Disputes Investigation Act.

Mr. Paul E. Cote (Parliamentary Assistant to the Minister of Labour): Mr. Speaker, I should like to add a word or two following the remarks made by the hon. member for Vancouver East (Mr. MacInnis). In his own language, this bill would be simple in its nature and in its effect on the Industrial Relations and Disputes Investigation Act. I strongly disagree with him on that point. As was pointed out by the Minister of Labour (Mr. Mitchell) a few moments ago, if this bill were carried, it would transform the Canada labour relations board into a court of justice. All through the Industrial Relations and Disputes Investigation Act, the emphasis has been placed on the conciliation character of the board and of the services provided by the department in case of negotiation of agreements and settlement of disputes.

If this bill were to carry, I submit that the purport of the act would be changed in a radical way. On account of that fact, there are several amendments that it would be necessary to make in order that the bill now before the house become really effective and applicable. One of the first changes would be to amend, if not to strike out, the existing section 40, subsection 2, which has been quoted by the Minister of Labour and which relates precisely to the offence of discharging an employee contrary to the provisions of this act, and in which hon. gentlemen will find that adequate penalties are provided in case of a conviction. If the bill before the house were to carry without this amendment to section 40 being made at the same time, one would find that there would be in the act two sections in direct conflict one with the other. This would surely not make for the better administration of the act.

Another point which has been referred to by the minister himself is that the amendment before the house does not provide for the summoning of the parties before the board and for the holding of the hearing which is surely necessary if the board is to issue an order such as is provided for in the amending bill. In order to give the board the necessary powers Bill No. 6, which is on the order paper, would have to be carried in the first instance. In Bill No. 6 the first provision is as follows, and I just wish to quote these few words in order to make my thought clear on that point:

> 43. (1) Any employer or trade union may apply to the board for an order that any person, employee, trade union, employer or employers' organization has violated a provision of this act.
>
> (2) Upon receipt of such an application, the board shall by notice in writing, direct the party making the complaint and the party against whom the complaint has been made to appear before it and shall hear and receive such evidence as may be presented to it.
>
> (3) After hearing the evidence, as aforesaid, the board may, if it is of the opinion that there has been a violation of the provisions of this act, issue an order indicating the precise nature of the violation.

I submit that a provision such as this would be essential for the carrying out of the provision embodied in the bill which is now under discussion.

Another point, Mr. Speaker, is this. If the labour relations board were to be turned into a judicial body, as is the direct aim of this amending bill, one would have to give thought to changing the provisions of section 58, subsection 6, of the act, which reads as follows:

> The board may receive and accept such evidence and information on oath, affidavit or otherwise as in its discretion it may deem fit and proper whether admissible as evidence in a court of law or not.

There are several other provisions in the act which clearly indicate that the labour relations board is not a judicial body; it may be considered as a semi-judicial body, an agency for the conciliation of disputes and for the administration of the act generally, and nothing more.

Mr. Knowles: Question.

Some hon. Members: Nine o'clock.

Mr. MacInnis: It has the power to make an order now, has it not?

Mr. Cote (Verdun-La Salle): Yes; of course it has the power to make an order.

Mr. Speaker: It being nine o'clock, and the hour reserved for private and public bills having expired, the house will resume the business that was interrupted at six o'clock.

NATIONAL DEFENCE

CONSOLIDATION AND REVISION OF EXISTING LEGISLATION—ORGANIZATION FOR DEFENCE —CODE OF SERVICE, DISCIPLINE, ETC.

The house resumed consideration of the motion of Mr. Claxton for the second reading of Bill No. 133, respecting national defence.

Mr. O. L. Jones (Yale): Mr. Speaker, resuming the debate on the motion to set up a committee on national defence, I should like to place before you briefly the point of view of this group.

Mr. Speaker: Order. The house is considering the motion for second reading of Bill No. 133, not the resolution to set up a committee.

Mr. Jones: I stand corrected. It was my mistake, Mr. Speaker. We definitely welcome the efforts made to consolidate the five acts into one. As one who, in both the first war and the last war, had some experience in administrating some of the acts, I can assure you that I personally welcome this effort to remove the contradictions and confusions that were caused under the old legislation. With the conglomeration of sections and acts that we had to work with—I forget the number now; I think there were some six hundred to seven hundred sections—it was almost impossible, in the short time available during war, to train young officers to be efficient administrators of any of these acts, with the result that this confusion continued.

For instance, section 69 of the Militia Act made the Army Act from time to time in force in Great Britain, and the King's Regulations, applicable to Canada, as though they had been enacted by the parliament of Canada. So in the maintenance of discipline a man had to be charged with offences, not against the Militia Act of Canada, but against the appropriate section of the British Army Act. We have several glaring examples of confusion which have arisen from that complicated condition. For instance, certain offences are punishable more severely while the troops are on active service. The definition of "active service" as laid down in the British act applied during world war I when troops in Great Britain were not considered to be on active service; but when they went to France they became classified as being on active service. That conflicted with the requirements of the Canadian forces, especially at the time of world war II, when anyone who enlisted in Canada for overseas service was on active service. Yet that confusion remained and has remained until this day, and will remain until it is changed.

Troops called out under the National Resources Mobilization Act were not on active service. Then again, men were convicted and sentenced incorrectly because commanding officers did not understand the definition of "active service" as related to discipline. Hence hundreds of cases which had been tried incorrectly were later reviewed, and the sentences quashed. However, I feel that this new bill does clean up that difficulty.

Section 16 of the bill authorizes the governor in council to establish armed forces of whatever strength the governor in council pleases, and without limits. May I point out that the Militia Act of 1927 contained a limit of 10,000 officers and men for the permanent force. This was amended in 1947 to 30,000. Although that amendment at first did not include a limitation on the number of men, it was inserted at the request of parliament. This new bill has the same fault in that it does not include the number of men who can be enlisted in the permanent force. I feel this is one feature that has been fought bitterly, particularly in England, for generations, namely that the right of parliament to limit and to define the numbers in the forces should be maintained by parliament, and not by the minister or anyone else. That feature in my view should be reincluded in the bill.

I do not mind particularly what the numbers are. If the numbers now are not satisfactory I would be quite satisfied to have them doubled; but parliament must know the limit to which it is committed in the enlistment of men, particularly in peacetime. Otherwise we do not know to what expense we shall be subjected, with the minister having control without parliament. I do feel that if the figure now available, 30,000, is inadequate, it could be increased to 75,000.

Then subsection 4 of section 16 contains a limitation on the reserve force. I would suggest that a fair limit would be 120,000 or 150,000, whereas, as I understand it, the reserve force in February of this year, as reported in *Hansard* of March 29, stood at 48,912. So that with the reinsertion of the limitation that can be recruited, I think parliament could maintain the position for which it has fought and which it has held to the present time.

There is no provision in the new section 20 for the command of the armed forces to be vested in the king. Up to now the armed forces have been vested in the king, and through the usual channel of the governor

general. I suggest this should be considered carefully, as to whether we should not again have that provision inserted, that the armed forces be vested in the king, as usual, with administration through the governor general and the king's privy councillors in Canada. I think that would be far better than giving complete control to the Minister of National Defence.

I notice that right through the changes which have been made there has been a gradual inclination to change the control formerly vested in the king and council to the minister and the departmental heads. I do not know whether that change is good or not, but I feel that with the complete control in the king and parliament we are on safer ground than to delegate this authority to the paid administrators in our defence system.

Then, the Militia Act provided for an age limit of eighteen for anyone joining the services. In the new bill there is no age limit. I believe an age limit of eighteen years is fair enough and acts as a safeguard against youth under that age tying up their lives in the army and later regretting it. I feel that if the age of eighteen were re-inserted it would protect them. Of course, in a case of dire necessity or of war, or something of that kind, parliament could reconsider its decision. I feel however that the age limit of eighteen years should be re-inserted in the bill.

Then, section 34—

Mr. Speaker: Order. May I ask the hon. member not to refer in such detail to the clauses of the bill. At the present time the house should consider the principle of the bill and not the clauses.

Mr. Jones: I am sorry I referred to the sections, but I had them noted that way. The new bill eliminates provision for the time of service required for training each year. I feel again that that is a provision which should be considered, because the principle there involved is that young men are called up annually to serve in the reserve forces, in the past for thirty days and now for an unlimited time. To place upon this period of service a limitation of thirty days or, if necessary, forty-five days and two or three weeks in camp as well as two or three weeks training at night, gives the employer of labour or of young men in those forces an opportunity to map out his program for the year with the knowledge as to how many weeks or days the young man he employs will be away from his place of business, or from the industry or farm where he works.

At the present time the employer has no means of knowing how long the young man he employs will be absent from his work. For the protection of the industrial owner, farmers and others, and also for the good of the department itself, I believe it would be best to come out flatly and say, "We need these young men for a certain period of days each year", and thus help to bring better feeling between industry and the department.

For many years regulations have been made in the army, both reserve and regular forces, to the effect that officers must wear certain dress on certain occasions. The rules are there; they are definite, and the officers have to follow them; but the unfortunate part of it to my mind is that these officers have to purchase the dress to which I have referred. While this was all right in the old days when people accepting commands in the army had plenty of money and could afford to pay, and when it was regarded as a privilege to buy their own clothes, today with our democratic army it is not fair to ask a young man who may be promoted from the ranks because of his ability to hold a commission to accept the penalty of having to buy his own clothes. It is not fair to say to him, "You must wear certain clothes, certain uniforms, and from your own pocket provide the wherewithal to purchase them." When dress is prescribed by this or any other act for wear by officers or men it should automatically be provided by the government. Otherwise I think it is unfair to have such a provision.

There should be considerable modification with regard to courts of inquiry, courts martial and so on. I have always felt that the sentences imposed were sometimes harsh and that the administration was often by inexperienced officers. I suggest that special schools be set up to train officers for work in these courts and before any man is entrusted with the trial of another man for a misdemeanour he should be properly trained, especially in the humanities, so that he can approach the problem with a sensible point of view.

I have known of officers who were not capable of sitting in judgment on their fellow men because they had not that happy faculty of seeing both sides of a situation. Where a charge is serious a man should have access to proper legal assistance, as was the case under the old act. The rights of soldiers should be properly protected. Many fine men were ruined in both wars by the imposition of unjust punishment. Resentment boiled up with the result that they made poor soldiers. In order to have a good soldier you must have an understanding commanding officer and an understanding officer in

charge of any court dealing with misdemeanours or other crimes. I hope that provision will be made for the proper training in legal matters and human behaviour of such officers as may be in charge of the administration of these courts.

I think the minister has taken the proper step by referring this bill to a committee. I hope that the ultimate result of this consolidation will be to see many sections deleted. I understand there are about 250 sections at the present time and I should like to see them cut down to about 100 sections so that every soldier and officer in the army would have time to go through the act and understand it. It is impossible for any man to understand thoroughly the present act with its numerous sections. It should be simplified, so that every soldier could understand it and would know what punishment he faces when he breaks the regulations. I suggest to the minister that he simplify the act in every possible way.

Mr. J. H. Blackmore (Lethbridge): Mr. Speaker, I have enjoyed the discussion up to the present time. I think the hon. member who has just taken his seat indicated a wide and thorough knowledge of what he was talking about. In approaching the matter of defence it is extremely important that we rid ourselves of the impressions gained from wars in the past. We must realize that from the word "go", or even before the word "go," in the wars of the future it will be a case of total war. It will be an instantaneous war. It will be what the Germans called a blitzkrieg. It will be a global war. We shall be fighting all over the world.

If we keep those three facts in mind we shall be helped in attempting to assess the adequacy or inadequacy of the act before us. In a general way I have the impression that the act has been drafted with those three general principles in mind, but I am not so sure that we could not improve it in respect of some of these matters.

The fact that we shall be in a total war means that the citizens in every area ought to be trained for citizen defence. I have not gained the impression that provision has been made for that kind of training on the North American continent. I hope that provision is being made in this act or in the regulations based upon the act. I hope something is done before too long because there is no telling how soon we may be called upon to start to use such training.

The fact that it is going to be an instantaneous war means that we are not going to have time to build war plants, to stimulate the production of food and clothing and shelter, to train precision toolmakers and all that sort of thing as we were in the previous war. We shall be faced with the necessity of having all these things in full running order to permit us to make a running start. I trust that provisions are being made by our Department of National Defence to meet the exigencies of that situation.

I am not so easy in my mind concerning this matter. One of our difficulties is that we cannot probe too deeply into the affairs of the department without calling on the minister to divulge information which it might not be in the public interest to divulge. But somehow or other the ordinary member of parliament like myself ought to have some special assurance that we are not going to have anything like the ghastly thing which confronted Great Britain in the last war when men were called upon to meet possible invasion armed only with pitchforks, and in some cases pitchforks without the tines. A thing like that must not be permitted to recur.

There is another serious danger by reason of the fact that the next war will be a global war. We shall not be able to keep the enemy concentrated anywhere. Before the last war we were ready to confine the enemy behind the Maginot line, but it turned out that he was anywhere except behind the Maginot line. No one today is unrealistic enough to hope to keep the enemy behind a Maginot line. But I wonder if we are taking all the precautions which ought to be taken against the possible isolation of considerable areas of our country which would render them completely helpless because of their being separated from all the means of sustenance which they ought to have.

On a previous occasion when we were discussing the matter of defence I took the opportunity of reminding the house that Great Britain divided that country into twelve divisions during the last war. The idea was to have each of those twelve divisions rather self-supporting so that, in case the other eleven divisions were occupied by the enemy, the one remaining division would be able to carry on and put up a good fight until assistance came. Up to the present time there has been, I believe, no attempt whatsoever to organize Canada into any such divisions. I am anxious lest three or four well directed blows paralyse the whole of Canada's war effort. I think that does not need to be the case, and we should take steps to see that it will not be the case. Of course I recognize that in the coming war we expect to be more or less under the wing of the United States, and consequently we

can afford to leave her to do a lot of the protecting of our affairs, but that great nation may be so occupied in several other areas of the globe that she may not be able to give us the attention that we may wish to have her give. I really have a feeling that we ought to attempt to be ready to stand on our own feet pretty well in case of an emergency.

So much having been said in a general way, I should like to draw attention to four or five things that have been in my mind since I have had the responsibility of giving defence matters attention for my group. I feel that our production of food, clothing and shelter has not been kept up to the standard which we would wish in case we became suddenly engaged in a war. We are allowing our production to run down. The scarcity-minded men whose fallacies control government policy seem to be terrified at the thought of having any more wheat than we can sell in a given year, or the capacity to produce any more dairy products than we can use in a given year, and so on right through the various types of production of which we are capable.

Suppose it became necessary for us to put a million men into the field in a short time and find food, clothing and shelter with which to support such an army, together with another army engaged in war production. I think we should find that we were running into scarcities in a way that would confound us if war came. I hope the minister is fully cognizant of the potentialities of such a situation. I do not find any comfort in the scarcity which is being artificially induced in this country by a government that does not know how to deal with abundance. I hope the minister will not take anything I say as being in any way unkind or adverse criticism. I am merely endeavouring to warn the country before it is too late.

The situation does not look good to me so far as Canadian production is concerned. When a country like Canada cannot supply enough bacon to fulfil the contract with Great Britain it is not a very good sign that our house is being well managed. That is just one illustration of many.

I do not know whether or not we have a civilian defence organization throughout Canada. When I was in Great Britain in 1941 I was greatly impressed with the efficiency which they had developed by that time in the matter of taking care of fires, gas attacks, and that sort of thing. They had citizens defence committees in superabundance, well trained and ready to go. I have not heard any rumours concerning citizens defence committees being ready to go in Canada at all. Even if we depend upon the United States for the major portion of our protection I think we should still have some sort of provision for citizens defence committees. I will not go into further detail in that regard but I hope that my general words will impress those who need to be impressed in Canada.

In line with the general necessity for guarding against the possibility of being completely put out of business by two or three well directed blows, I think we ought to have decentralization of Canadian industries to a far greater extent than at the present time. All the talking that we from western Canada and the maritimes have been able to do does not seem to have percolated into the heads of the responsible men in Ontario and Quebec to the extent that they are impressed that they really ought to put some industries in other parts of Canada from the standpoint of sheer common-sense self-defence. I hope it will not be necessary to sound that warning any more.

All our great munitions factories are located in Ontario and Quebec. An attacking force only needs to concentrate on those two provinces and the rest of us will simply be overcome as the result thereof. That does not seem like wise planning for a great nation such as Canada. Of course it will be said there are a lot of objections, but there will be a whole lot of wishes that things had been different if a serious disaster should befall us, and it were found that disaster had occurred because of our inability to have a little foresight instead of nothing but hindsight.

I think regional defence units have been completely neglected in Canada. I may be too far out of touch with the facts but I have an idea I am going to confide to those members who are indulgent enough to be paying attention to me. I believe that one day when Canada is organized in the most efficient way she will endeavour to lay out the whole country in certain more or less self-sufficient units. I think we spend far too much of our time and effort in hauling pretty nearly everything in Canada over two great rocky barren wastes. We take everything from Ontario and Quebec across a thousand miles of rocky wilderness; which is a dead loss to the railroads making the trip, and we make the western provinces pay the whole cost. Then we haul everything back over that same dead barren waste, making the east pay all the costs, or the west if possible, and usually the east is able to make the west do it. All this is a dead loss to the economy of Canada.

In my judgment it is a matter that ought to be overcome. If we had in the three prairie provinces a more or less self-sufficient

unit in which we had the major industries for producing textiles, for example, and the various manufactured goods which we ordinarily need, we should not be under the necessity of transporting manufactured products over that vast rocky wilderness, and the nation would be ever so much stronger by reason of that fact. The same thing should be true of the west coast. I think it is a dead loss for the people of British Columbia to have to haul so large a percentage of the manufactured products they need across not only one barren wilderness in Ontario but another barren wilderness in the Rocky mountains and pay the shot both ways. That certainly does not look like a good national economy.

While we are considering the matter of defence we could have in mind some such desirable objective as that of creating several rather more or less self-sufficient economic units in our country. I think it would be all to the good from the standpoint of defence as well as economics. Therefore I should like to see the Minister of National Defence (Mr. Claxton) persuade his colleagues, and if he cannot persuade them let us know about it and we will help him—I should like to see the Minister of National Defence persuade these men that they ought to take definite steps to industrialize the region west of the Rocky mountains, the prairie region, and the maritimes so that those areas will have great industries and will have a strong pulsating economy which will enable them to live independently of the rest of Canada. That does not mean that Canada is not going to work together as a unit. It means there will be less need in times to come for assistance such as is now given to the rather undeveloped areas of Canada, shall I say. I do not know whether we have enough machine tools; I am not in a position to be able to find out. I do not know whether we have all the factories necessary to manufacture the ships and guns and tanks and planes and other necessities of war soon enough to be able to successfully conduct a major operation. I trust that things of that kind are being looked after.

There is another matter I think has been impressed upon all hon. members of the house and perhaps many people throughout the country by what has occurred in Canada during the last few years in the way of emergencies. Out in the Fraser valley two years ago we had a disastrous flood. After the horse was out of the stable we did our best to put it back and repair the stable, but it would have been a great deal better if we had repaired the stable and kept the horse in before the thing happened, in other words if we had been ready for it. Now we have the Winnipeg disaster. I am told that it was made known to a committee of the house today that early in the spring a certain United States engineer went to the town of Emerson, after having taken cognizance of the heavy snow lying in the upper reaches of the Red river and after having computed the probable rate at which that snow would melt; that he went into a drug store in that town and put a little mark on the door post, saying, "That is the point at which the waters will stand when they are going out of the Red river." If that fact had been conveyed with sufficient emphasis to all the people down the Red river who would be affected, think of the millions of bags of sand that could have been accumulated during the long weeks before the sudden onset of this flood, and look at the tremendous losses that could have been avoided, just being prepared.

Since it is quite obvious that the Minister of National Defence (Mr. Claxton) is going to be called upon to contribute liberally in dealing with these disasters, as they occur one after another, I do not see any particular reason why he should not say, "Very well. Since we are going to be called in on these big emergencies, we had better be trained so we can go at them effectively. We had better have plans all made so that we shall be ready to fight the battle with some hope of success and some measure of efficiency before it is lost."

That brings to attention several thoughts. Perhaps the minister has already taken this step, but in case he has not I trust that the defence research board will be advised that it would be well for them to be examining into these matters and giving advice on how the boys should be trained and equipped, and drilled to deal with various kinds of emergencies such as floods, fires, forest fires and the like, which are always liable to occur suddenly in Canada, judging by our experiences of the last few years. That is something which the minister might keep in mind in the days to come.

I have just been rambling around in my remarks this evening, but I think I have suggested a good many things that the defence research board, which is dealt with in part III of the act, can be instructed to give very careful attention to, and I would be glad if the minister, the next time he has occasion to speak, could tell us that he has envisaged all these possibilities and has made all these preparations so that we shall not be caught off guard in case there should be a major disaster.

The minister may say we have not the money to do these things. Well, my general reaction, which I am not going to discuss at

any length tonight, is that the financial capacity of Canada ought to be gauged by the physical capacity of Canada. If Canada can produce the goods and services necessary to attain the high standard of military preparedness which my remarks have envisaged, then Canada should certainly be able to get the money with which to employ this physical capacity to achieve the objective we have in mind.

If the government and its present financial advisers are unable to tell how this can be done, it is high time they sought advice from people who know more about modern finance than apparently they have been able to learn up to the present time. So if the minister is being deprived of the money he considers it necessary to have in order to give Canada the kind of defence mechanism Canada should have as a producing unit, considering her resources of men and materials and machines and factories; if he is unable to get the money to accomplish the objective which Canada is capable of accomplishing, then we want him to make that known to us so that we can all do something about it. I think he will find a good many members of his own party who will be ready to help him out, too, and who will not be quite so ready to listen to some of the outworn ideas of finance with which they have been indoctrinated up to the present time.

So I do not know that we would be prepared to accept from the minister the plea that he did not have the money with which to do anything which is physically possible in Canada. Let us bear in mind that not until the recent war broke out, and even then not until the war began to look terribly dangerous, after eight months or so, did it become evident that we could make whatever was physically possible in Canada financially possible. But then when we did make it financially possible, we did so by the accumulation of colossal debts which now we have to pass on to future generations to repay. The time to take care of this problem for the next war is before the war occurs. Let us find some means whereby what is physically possible in this dominion can be made financially possible without the accumulation of taxes and debts.

Having made this contribution, I shall defer any further remarks until some future time.

Mr. A. L. Smith (Calgary West): Mr. Speaker, my remarks on this matter will be brief and will concern themselves with one subject only; that is, the matter of courts martial. Everyone realizes that in a military organization discipline is a must, but I am opposed to the whole principle of courts martial as we know them. By that I am not for one moment suggesting that commanding officers should not exercise the discretion that is given them in dealing with breaches of discipline and minor matters of various kinds. I think it absolutely wrong in principle, however, that courts martial as they are now and as they have been should deal with offences when there is an opportunity of having those offences tried in the normal way in a civilian court.

In saying what I do I speak perhaps not with authority but certainly with some considerable experience in defending people before courts martial. The thing that is wrong is that each and every one of the five men you have making up a general court martial is in some way, unconsciously if you will, anxious to do nothing that would displease the senior officer who has set up that court. We know that before any court martial is ordered in a district, for example, the district officer commanding may do a number of things. He may take certain steps of his own, from a reprimand up. He may take the ultimate and final step, after his investigation and after he has read the written statements presented by the persons who have investigated, and order a court martial composed of officers junior to himself. In other words, they may take those officers from the various districts who have the authority to set it up, be it the minister—I do not mean the present minister, but the minister of national defence—who has on occasion set up these courts martial in which I have personally had a part, over and above the men who usually deal with such matters. No one will think for a moment that the persons sitting there as judges are not influenced by the fact that the man above them, be it the minister or be it an officer commanding a district, who read the evidence, has said, "This is beyond my powers: the offence is too grave, so I am going to set up this court martial." No one can tell me that the persons sitting as judges are likely to make a finding in favour of the accused person when their superior officer has, in setting up the court after investigation, virtually told them that the man is guilty. In other words, lest anyone think that I am criticizing the individuals who sit as judges, I may say that were I in that position I would no doubt be equally influenced. It is not human nature for any person to tell a superior, who has power of preferment over him, that he is wrong and this man is not guilty.

That is the situation as we have it today. I am not suggesting it was started by anyone in the house. It is an old court which has outlived its usefulness. Someone will say: Since you object to this what do you suggest

by way of an alternative? I say, Mr. Speaker, that while it is not my business to suggest alternatives, I do say that when servicemen are charged with crimes under the Criminal Code, such as theft, and I was once engaged in defending a man charged with theft and another man charged with rape—the only crime other than murder and treason for which the Criminal Code prescribes hanging as one of the penalties—it does seem to me utterly wrong in principle that a man so charged should be tried by officers in the army. He should simply be turned over to the civil authorities, so that he will get what everyone else gets, a fair trial in the courts of our land.

I know in one case, in which the charge was not a severe one, the officer so charged had been reprimanded by the commanding officer of the district. I speak of the time when we had districts and not the commands into which our army is divided today. To try that man we had three men of the rank of brigadier, two of the rank of colonel and an alternate, I think that is the word, of the rank of colonel. They all came from outside the district. It was a trial ordered by the then minister of national defence. We had a judge advocate who came from Vancouver; a prosecutor who came from Toronto, and I may say I was there for eight days. I came from Calgary, and I received a delightful thank you at the end of the show. All that was accomplished was that this man received a mild reprimand. The expense which was entailed in gathering all those people together was so far out of line with anything that was accomplished, or that might be accomplished, that to me the thing was ridiculous. It was then that I finally made up my mind this outmoded method should be eliminated.

I do not intend to mention any names, but I will say that on this court we had elderly men, men who were anxious to go to England or to Europe. They were anxious to go to fight as a matter of fact for their country, but they were of an age where they were not first-line men at all. In discussions with them I learned that they knew their only opportunity of getting a command overseas—they were veterans of the first war as well—was by the favour, and I do not use that word in a harsh way at all, of those persons above them who would have the right to say whether or not they were entitled to preferment. I know it is a difficult thing to make any change in something which has been a custom for so long, but I do think, Mr. Speaker, that the minister might well review this whole picture to see if we cannot find a more sensible means of meting out justice to servicemen who are accused of crime. I am not talking about taking a toothbrush from another fellow's kit, or anything of that sort. I was going to say that is a thing, particularly where many men are grouped together in quarters, which always happens. I am talking about these more serious offences. I did defend a man in a court martial in the air force who was charged with rape. At the end of the road he was found guilty, and he was dishonourably discharged or "cashiered" as they put it. Remember, he was my client; but I say that had he been in a civil court he would have been sent to jail for five or ten years, and that is where he deserved to be. In that way, justice was cheated because of the method which was used in connection with the trial.

I said, Mr. Speaker, that I would take only a few minutes, and I shall keep my word. I am not blaming anybody for anything, but I am trying to make a suggestion which will eliminate any thought on behalf of an accused person or those who act for him that he is being judged by persons who may be seeking favours from other persons above them in rank and who put them there in that particular spot. I therefore ask for the careful consideration by the minister of the suggestions that I have made.

Mr. J. H. Ferguson (Simcoe North): It is most interesting, Mr. Speaker, to listen to some of those who have spoken this evening. As a veteran of the first war, having served as a private and committed almost all the minor offences a private soldier could commit, and enjoyed them all and having served as an officer and continued to commit many minor offences for which I was brought to task, I listened with interest to that eminent lawyer, the hon. member for Calgary West (Mr. Smith), making suggestions with regard to courts martial. The matter could be studied thoroughly, because there is no doubt about the red tape, the squandering of the taxpayers' money and the fact that officers were appointed to courts martial who had very little legal experience.

But to suggest that all enlisted men should take the time to study, not the king's rules and regulations but the House of Commons of Canada rules and regulations, when the war is almost over before we ever start fighting, and that you are going to have these rules and regulations so simplified, as suggested by some of the speakers here this evening, that every private soldier is going to take time off and neglect his rifle or his anti-aircraft gun or his military training in order to become a first-class barrack-room lawyer, is absolutely ridiculous. You will not find many of the colonels taking much time on the rules and regulations. For the

sake of the Canadian public, let me say this. Few men who committed crimes in the first great war received sentences which were not correct. They were charged with drunkenness and overstaying leave, which I had the honour of doing, and offered every excuse in the world. I think I got five days confined to barracks, and then did it again. That will continue. You can tell any soldier that he is going to get confined to barracks if he overstays his leave two days in London, and he is going to overstay four because he does not care about fifteen days confined to barracks. For instance, suppose a man were on leave in London or in Paris. Can you imagine a man walking along the Champs Elysées in Paris suddenly saying to his pal, "We had better get home in time or we are going to be confined to barracks for five days"? How utterly ridiculous!

It is suggested that these rules should be so simplified that every soldier is going to have time to read them. If they were half as thick as this pamphlet I have in my hand, they would not read them. If they did, they would not train to become the men we need during a war. Even with regard to courts martial, let the public of Canada remember this. It was seldom that any man did not receive his just deserts from his fellow soldiers, officers who had served. A man who becomes an officer does not lose his human instincts and the human kindness that runs through any man's body. They feel for the common soldier when he comes before them, just as any civilian would. No man becomes hardened towards his fellow man because he serves his king and country. I will say this, and I think every man in this house who served in the first war will agree: The percentage would be one-tenth of one per cent where there was a miscarriage of justice dealt out by active service officers. Fortunately I did not spend much time with courts martial in Canada during the first war. I say "fortunately" because from what I heard about some of the courts with elderly gentlemen who wanted to get overseas, there might have been grave infractions of the law and miscarriage of justice. But overseas men were not sentenced who did not deserve sentences, except in the most remote cases. I have talked to men whom I have defended in courts martial and the courts have said, after they have heard me or heard my plea as the defending officer of these men: "What do you think we should really give this man?" I have suggested five months first field punishment No. 1. I have had these men say, "I deserve every bit of it; I struck that officer. I got drunk. It is not the first occasion, it is my third. I am lucky I am not going to be shot." One man I have in mind turned out to win the D.C.M. and rose to the rank of sergeant. The last time I saw that man, he was proceeding with a bayonet into a machine gun nest and I believe he received a bar to his D.C.M. for his actions on that occasion. Men who went to Wandsworth, sentenced by the military courts of England—I believe the most severe military prison in the British empire—came out of there and admitted that they were better men than when they went in. Do not let it ever be forgotten that amongst the soldiers defending Canada were men who came out of the penitentiary and joined the armed forces, and who had committed the most atrocious crimes apart from murder that it is humanly possible for a man to commit. Many of these men who were convicted by fair and just courts did not receive any sentence while fighting overseas with the first Canadian army. I say this to the minister. Do not let him try to prepare a pamphlet that he believes will ever be read by two per cent of the Canadian army. If there is ever a war on, a real soldier will never even read the first page, and yet he will serve well and most of them without crime of any kind.

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

Hon. Brooke Claxton (Minister of National Defence): I should like very much, Mr. Speaker, to express the great pleasure I think it is to all of us to have heard this bill debated in the co-operative way in which it has been debated. As another "other ranker" of the first war, I should like to say that I particularly agree with a good deal of the gusto and also of the sentiment of the last speaker, the hon. member for Simcoe North (Mr. Ferguson).

Mr. Macdonnell (Greenwood): Would you give us some personalities too?

Mr. Claxton: I could also give some personalities, both on the giving and on the receiving end. During the second world war I was one of those people whom the hon. member defied really in his last remarks, for I wrote a little pamphlet on military law. I do not know how many people read it, but at least it was printed to the extent of some 25,000 copies. Up to that time, that was perhaps one of the greatest distributions of a book in Canada apart from the Bible. I do not think it got many people into much trouble, but it helped quite a few younger officers to pass their examinations. I do not think it got down to the rank of the hon. member and myself during the first world war, so that we did not cause any more trouble because of that publication.

I should like to say that the hon. member for Simcoe North (Mr. Ferguson) seemed to answer fairly effectively the remarks of the hon. member from Calgary West (Mr. Smith); but I thought that the most surprising thing about the speech of the hon. member for Calgary West was the fact that he kept on talking about the supreme kind of injustice that was being done by courts martial, yet he succeeded in getting the accused persons off with a sentence which he thought was inadequate, which certainly reflects his skill as counsel.

Mr. Macdonnell (Greenwood): Could you have had a better witness?

Mr. Claxton: You are right, but not as to the severity or the unfairness of the courts. That is a question, of course, of great difficulty; and I am sure the hon. member for Nanaimo (Mr. Pearkes), because of his wide experience, will bring some part of that experience before the committee when it is set up, as we hope it will be. I may say that all the countries of which we have any knowledge have been equally concerned with us in this question as to how to administer service justice. Approaches have seen similar, and I believe conclusions have been somewhat similar.

However, if there is any way in which we can do the job better than it has been done in the past, or better than contemplated in this bill, then let us bring it before the committee and have it threshed out there so that we can get the best kind of bill and the best kind of disciplinary code to be found anywhere.

With regard to some of the observations made by some hon. members, I would remind the house that the difficulty about this kind of legislation is that we must deal with things under conditions of peace but always anticipating a possible condition of war. Consequently while many of us would like to see many of the sections in the disciplinary code eliminated and left to the criminal law, we are still face to face with the possible necessity of having to administer service law during a time of emergency in a foreign country where there is no criminal law and no civil court. We have to have some kind of court in which to do it.

I think the most amazing feature of this debate is that during the course of the discussion not a genuine case of grievance has been brought forward. I think if that is true, having had some million and a quarter men and women serving throughout the most dreadful war in history, many of them brought before courts martial and many of them sentenced—and all of them having members of parliament to represent them—it is amazing to find that we have had no cases of grievance brought forward here.

Mr. Pearkes: But surely when we are discussing the principle of the bill is not the time to bring forward cases of grievance.

Mr. Claxton: I agree. That would be completely in accordance with the rules. But the rules have not always been completely observed, and some hon. members have brought forward instances which they have suggested illustrated some defect or another. It is an excellent record, I suggest, and one greatly to the credit of this country and its soldier citizens, its armed forces, that so far in this discussion there has not been much by way of complaint.

So far hon. members have spoken in terms of co-operation. That, I can assure them, is most warmly welcomed. I would hasten to give the hon. member for Nanaimo all the assurance he asked. For instance, he referred to one section, namely section 4 of the old Militia Act as having been left out. The hon. member for Yale (Mr. Jones) referred to the same thing. As I said this afternoon, that section was left out because it was to be found, in different terms, in section 15 of the British North America Act; and it was thought desirable to leave the British North America Act standing as it was, in its own language, without repeating it in different terms in this bill.

Mr. Drew: Mr. Speaker, I do not wish to interrupt, but I would point out for the minister's consideration the fact that section 15 of the British North America Act refers only to naval and armed forces and that consideration should be given to the limiting effect of those words.

Mr. Claxton: I am sure they have no limiting effect. However, that is a question which can be placed before the committee for consideration.

The hon. member for Nanaimo said that not only should we see what is contained in the 251 sections of the bill, but we should also look into what has been left out of the 598 sections of the act which it replaces. I hold in my hand one of several volumes which contain all the old statutes. On the opposite page we find what has happened to them, and where they can be located in the bill. This book has been prepared by the judge advocate general's office, and it is available for the members of the committee. That information will be completely available. Then, on the other hand, we are reversing the process we have in the bill itself,

and opposite each section are references showing its origin and the reference to the sections of the various statutes it replaces.

Therefore I can give the hon. member the assurance he wishes that all the resources of the department and all the work that has been done will be put before the committee. Every effort will be made to co-operate with the committee in seeing that we have the best possible statute to accomplish the job we want to do, and that is to look to the discipline of the armed forces and the regulations of the department in the interests of greater efficiency, greater security for Canada, and greater justice for the services.

Motion agreed to and bill read the second time.

DEFENCE SERVICES PENSIONS

METHOD OF COMPUTATION—CREATION OF SERVICE PENSION BOARD

Hon. Brooke Claxton (Minister of National Defence) moved the second reading of Bill No. 134, to amend the Militia Pension Act and change the title thereof.

He said: Mr. Speaker, this bill is based on a resolution which was adopted by the house without any preliminary statement from me. I believe I gave some assurance that such a statement would be made.

The Militia Pension Act which this bill would amend provides for pensions and gratuities for members of the regular forces of Canada on their retirement, and for their dependents on their death. Amendments proposed in this bill would simplify administration, expedite payment and correct certain anomalies. All the proposed amendments will, I believe, be found to be in the interest of the officers and men of the forces.

The Militia Pension Act enacted in 1901 applied only to the army. This is part I of the present Militia Pension Act. In 1928 parts II and III were added to extend the act to the Royal Canadian Navy and the Royal Canadian Air Force. In 1937 part IV provided that pensions granted in accordance with parts I, II, and III would be paid in monthly instalments.

In 1945 a committee under the chairmanship of Mr. G. D. Finlayson, C.M.G., then superintendent of insurance, was set up to recommend amendments which would make provision for members of the armed forces similar in principle to the Civil Service Superannuation Act. The status of members of the regular forces to whom parts I to IV applied was not to be disturbed but they were given the right to elect to come under part V. This new part came into operation on the 31st August 1946 and applied to members of the regular forces enrolled after 31st March 1946 and to those who prior to 31st March 1948 elected to become contributors under this part.

Part V will become the only part of the act in effect when the 3,234 servicemen to whom parts I to IV apply will have died or have been retired from the forces. It is expected that this number will be reduced if the option to come under part V is extended as proposed by this bill.

Under parts I to IV of the act, members of the regular forces who serve for 20 years or more and are retired for reasons other than their own misconduct are granted a pension for each year of service of one-fiftieth of their pay and allowances at the time of their retirement if they were appointed to the forces prior to May 1, 1929, or if appointed after May 1, 1929, on the average annual rate of pay and allowances for the three years preceding retirement.

Officers and warrant officers pay a contribution of five per cent per annum of their pay and provision is made for a pension or other benefits for widows and dependents. In the case of ranks below warrant officer no contribution is paid and no provision is made for widows and dependents. All members of the regular forces to whom part V applies contribute to the pension fund and the benefits on retirement or to their dependents upon their death are similar to those granted to members of the civil service.

The first clause of the bill would change the title of the act from the Militia Pension Act to the Defence Services Pension Act. This, I believe, is more appropriate for an act which applies to all three services.

Persons to whom parts I to IV applied who wished to come under part V had to elect to do so before March 31, 1948. It has been found that a number of persons who wished to come under part V did not make application before that date and the amendment to paragraph (b) of section 43 would extend to December 31, 1950, the time within which election may be made to come under part V.

Under the present part V, a contributor who wishes to reckon for pension purposes his service prior to his becoming a contributor has to elect to do so within one year after becoming a contributor. The purpose of the amendment to subsection 1 of section 45 is to extend the time within which such an election can be made to a period of six months after the coming into force of the amendment.

The amendments to subsections 12 and 13 of section 4, as set out in clause 4 of the bill, and to paragraph (h) of section 53, as set out

Defence to such a committee. If that committee can appropriately deal with this limited in clause 12 of the bill, would place on the same footing officer pensioners under parts I to IV or part V who, subsequent to retirement, accept employment in the public service of Canada.

I have attempted to indicate very briefly to the house the major points involved in the proposed amendments. Any further explanation which hon. members require will be given when this bill is discussed in committee. It is proposed that the bill would be referred to the committee to be set up to deal with the national defence bill, and the prize money bill which will be introduced following the resolution.

I should like to give some illustrations of the pay and pension of married men with 35 years service to indicate to hon. members the pensions that are payable under the existing provisions. These are as follows:

	Pay	Pension
Sergeant	$2,532.00	$1,772.40
Warrant officer, class 1		
Tradesman class group 4...	3,468.00	2,427.60
Major	5,232.00	3,662.40

I believe that those provisions will be found to be more liberal than those in force in the armed forces of any other country. The main purpose of these amendments is to make still more liberal, not in the rates of payment but in the provisions under which men may qualify. The bill also aims to bring about a more efficient and simplified working of the act.

The act as amended in 1946 has been in operation for some four years and the anomalies to which I have referred and the improvements which are thought to be necessary have come to light during that time. Our hope is that it will be possible to enact before too long a much more simplified pension act along the lines of the provisions existing in part V and providing for the residual group in parts I to IV in much more simple terms. Until we have taken this interim step that would be a difficult thing to bring about because of the different categories of officers and men affected.

If the house adopts the proposals that are now made it will enable us, say within a period of a year or two, to reintroduce a completely new Defence Services Pension Act providing substantially the same provisions but making the administration and application much more simple. I regard this interim step as essential in order to extend to some men who have been excluded by cut-off dates from some of the conditions that they would like to have under part V. For all these reasons I commend the bill to the favourable consideration of the house.

Mr. G. R. Pearkes (Nanaimo): Mr. Speaker, in addition to the change in the title of the act, which obviously is desirable, it is also necessary that service personnel pensions should be revised. Changing conditions of the service have made such a review necessary and therefore we shall agree to the amendments which are being recommended in this bill.

Changing conditions of service have placed the emphasis upon youth. The services today are young. As these young men are serving in peacetime they must be given the opportunity to gain experience in command so that they would be able to meet the requirements of service should war break out in the future. In order to enable them to gain that experience in command, there must be retirement at the top so that there can be a general movement up through the various ranks of the forces.

The retirement of a great many of the permanent force personnel will be necessary before they have completed the full term in order to draw their maximum pension. That presents complications because you cannot have a lot of young men retiring and being able to draw substantial pensions for many years to come without placing a heavy drain on the treasury, nor can you turn these young men loose without giving them adequate means to maintain themselves. One has to have in mind the increased cost of living. Therefore it is not easy to find the medium by which pensions should be paid. I note that in the bill emphasis is placed upon the fact that henceforth men who retire will receive their pensions as a matter of right instead of as an act of grace on decision of the minister. I am not sure that the policy of accepting the pension as a matter of right is carried all through the bill because there are obstacles placed in the way of the ex-serviceman, be he officer or other rank, in accepting a position in other branches of the government service than the armed forces. I cannot help feeling that it might be advisable to make some further modifications in the bill in order to permit greater facilities for ex-servicemen to take appointments in other branches of the government service.

There are a number of small details such as the cut-off date, to which the minister referred, which may need some discussion and adjustment in the committee. I am not quite certain that in all cases we have taken the correct cut-off date but those matters will be better discussed in the committee than at this stage. I do not intend to take up any more time of the house. I merely wish to say that when the bill is sent to the

committee I trust every opportunity will be given for a thorough examination of all branches in connection with service pensions.

Motion agreed to and bill read the second time.

NATIONAL DEFENCE

APPOINTMENT OF SPECIAL COMMITTEE TO CONSIDER BILL NO. 133

Hon. Brooke Claxton (Minister of National Defence) moved:

That a special committee be appointed to consider Bill No. 133, an act respecting national defence; with power to send for persons, papers and records and to report from time to time; and that the said committee consist of Messrs. Adamson, Balcer, Bennett, Blackmore, Blanchette, Campney, Cavers, Claxton, Dickey, George, Gillis, Harkness, Henderson, Higgins, Langlois (Gaspe), Lapointe, Larson, McLean (Huron-Perth), Pearkes, Roberge, Stick, Thomson, Viau, Welbourn and Wright; and that standing order 65 (1) be suspended in relation thereto.

Mr. G. R. Pearkes (Nanaimo): Mr. Speaker, on the 14th day of March I moved that a special committee be set up to deal with the question of national defence. In support of my motion I gave two examples of the type of investigation that such a committee could deal with. One was to examine the national defence bill which the minister has suggested this evening should be referred to the special committee. The other was to examine the question of the estimates. The house decided not to accept my motion and it was defeated. A few days later the hon. member for Greenwood (Mr. Macdonnell) was speaking on the defence estimates and he was called to order because he again suggested that the estimates be referred to a special committee. He was told that he was out of order because the house had decided on the matter of the broader principle of the committee examining not only the estimates but the bills in question, and the ruling of the Speaker was upheld by a vote.

Therefore I am very doubtful whether the motion can be considered to be in order because what is sauce for the goose should also be sauce for the gander. Nevertheless perhaps half a committee is better than no committee at all, and I am not going to ask you, Mr. Speaker, to give a ruling on the point I have raised. I only repeat what I said earlier today, that I hope the committee will be given the widest possible scope to examine into all the ramifications of the various bills. The minister has already given assurance that that can be done. There are cases, as he mentioned when discussing Bill No. 133, where the financial aspects of the bill are brought out in various sections thereof. It will therefore be necessary to examine the effect of some of the financial recommendations which are being made.

[Mr. Pearkes.]

For instance, we are to consider the effect of unification of the various services. It is to be hoped that unification will bring about a lessening of the amount of money which might be required for each of the services if they were to continue to operate separately. Emphasis has also been placed on giving a strictly Canadian appearance to our forces. To attempt to Canadianize the navy particularly will undoubtedly require an additional expenditure of money. That is quite obvious. Therefore the committee should be given the opportunity to inquire into the financial effect of the various sections in the different bills. Provided assurances can be given that there is full scope for the committee to inquire into any branch of the services which may be affected by any of the bills, I do not wish to press what may be considered to be a point of order as to whether or not the motion is in order.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, before the motion is put I want to remove any suggestion that may have been conveyed by the minister's remarks on the bill itself that the subject has been comprehensively covered at this point. I believe in a great many cases it was thought by hon. members, including myself, that detailed discussion could best take place when the bill was before the committee and then brought back to the house for further consideration.

There is one point I should like to raise, however, before the minister speaks on this motion to set up a committee. Certainly I am not suggesting for a moment that the minister must assume responsibility for interpretation placed by the press upon his words or actions, unless he himself has been responsible for those interpretations; but I believe hon. members will have read statements in the press during the past few days that it is the intention of the minister to widen the scope of this inquiry beyond what was originally contemplated and, at least to some extent, comply with the requests which have been made that a general discussion be permitted of the organization of the Department of National Defence and its affairs generally. If there is nothing in those statements the minister can remove any doubt about it. If on the other hand it is intended to widen the scope of the inquiry before this committee I think it would be well for the minister to clarify that point now and indicate to what extent that is so. I remind the house that the bill is being sent to a committee on the motion of the minister himself, and I suggest that this invalidates the argument he has made from time to time that it would not be a desirable thing to refer the whole organization of the Department of National

Defence to such a committee. If that committee can appropriately deal with this limited aspect of the affairs of the department, then it could have dealt with the wider organization and its work would have been of greater value to this house and to the people of Canada.

I rise now simply to indicate that it is my intention, as I know it is the intention of other hon. members, to defer any detailed examination of the bill until later; but I hope the minister will clarify the situation in the light of the press reports to which I have referred.

Mr. Claxton: Mr. Speaker—

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

Hon. Brooke Claxton (Minister of National Defence): I should like to say again how appreciative I am of the very helpful remarks of the hon. member for Nanaimo (Mr. Pearkes). I venture to say he is one of the few people who really know how the Militia Pension Act works. It is a complicated matter dealing with servicemen who have come in at different periods and under different arrangements all the way back to the great war of 1914-19. As I have said, our hope is that this bill will be an interim step which will permit us to deal with the difficulties that have been revealed by experience, and enable us to progress toward that measure we would like to see adopted, a much simpler and more streamlined bill along the lines of part V. So I hope the house will take that into consideration just as soon as it may be possible.

As to what the hon. gentleman said about the origin of the committee, or the proposal for a committee, may I say at once that as far as I know the first suggestion that this and other measures should come before a committee of this house was made during the discussion of this and other defence measures last November. At that time I indicated to the house my hope that the defence bill itself would go to a committee. That was on November 18, at page 1946 of *Hansard*. A little later the hon. member for Greenwood (Mr. Macdonnell) asked again:

> Did I understand the minister to say that, with respect to the forthcoming bill—

That is, the defence bill.

> —he was disposed to recommend that it be referred to a committee?
>
> Mr. Claxton: Yes.

That answer has stood from then until now. So I was astonished, if I may meet the invitation of the leader of the opposition (Mr. Drew), to read in the Montreal *Gazette* of Monday, May 15, 1950, this statement:

> (Gazette resident correspondent)
>
> In a totally unexpected move, the government will make provision very soon for the establishment of a special parliamentary defence committee.

The indication of the possible scope of this committee was made very clear at the point in *Hansard* to which I have referred, and also during the discussion in this house on April 18 of this year, when the resolutions preceding both the defence bill and the pension act were brought before the house. What the *Gazette* resident correspondent was doing in the meantime I do not know, but apparently he was not following the proceedings of the house. Equally unfortunate is the heading over this report: "Group to study defence costs." I have not decided who will discuss defence costs, and it is not within my power to make any such decision. That is a matter for the house; and the house will discuss defence costs in accordance with its decision when it resumes consideration of the defence estimates, which will be as soon as possible. Therefore as to the scope of this committee I can assure the hon. member for Nanaimo that it will have full scope to discuss Bill No. 133 within the terms of this motion, if it is adopted, in accordance with the rules of the house; and I am not going to give him any assurance that those rules will be extended. In fact I would think, to the contrary, that the house itself would wish the rules to be observed and that this bill, and the other two, should be considered as I believe such legislation should be considered, by a committee of the house. There will be no assurance from me that the proper and parliamentary scope of what is decided by this house this evening will be extended in any way, other than that the resources of the department and certainly my own support will be given to everything the committee does in accordance with the rules as they are determined by the house.

So let there be no misunderstanding. The assurance I give with respect to the scope of this committee's operations extends only to the fullest consideration of a piece of legislation of the utmost importance; and whatever is proper to that consideration no doubt will be considered by the committee in accordance with the rules.

With regard to the suggestion by the leader of the opposition that my attitude on this invalidates some argument I have advanced in the past against the setting up of a committee to deal with the whole subject of defence, of course that again is contrary to the decision of the house, and I would not like to follow the hon. gentleman on that point because it has been decided already this session. It is, I suggest, fundamental

that we recognize that in between consideration of legislation which is in accordance with the British parliamentary practice which is usually done by one of the committees of the house lettered from A to E, and the kind of suggestion that has been made in the past for something quite different, along the American lines, there is a world of difference. That difference is of fundamental importance to the conduct of our business.

Mr. Drew: Mr. Speaker, I would just remind the minister that the suggestion was made in the exact words of an article written by the minister and recommending that procedure, as well as that there should be a wide open review of the affairs of the department.

Mr. Claxton: Yes, the leader of the opposition cannot possibly get any more satisfaction out of repeating references to that article, and bringing it before this house—

Mr. Drew: It is a very good one.

Mr. Claxton: A very good one, but unfortunately I am one of those people, I am glad to say, who admit when they were wrong, and that is one of the occasions on which I was wrong. Perhaps the leader of the opposition never admits he is wrong; I do not know. I am very glad to do it when I am wrong, and I was wrong there. I said so before anyone else mentioned it and, when seven years later the leader of the opposition brings this before the house, I think he is threshing old straw. I do accept in the most complete terms the suggestion made by the member for Nanaimo (Mr. Pearkes) with regard to the broad scope that should be given on the discussion of Bill No. 133 when it comes before the committee. But with regard to his remarks on this motion, I say that the rules of the house cannot be extended by anything I say. Let there be no misunderstanding of that point whatever. A decision of the house has been taken on that matter, and I do not expect it to be reversed. Should it be reversed, of course, I shall be glad to comply with the rules of the house.

Motion agreed to.

REFERENCE OF BILLS NOS. 133 AND 134 TO SPECIAL COMMITTEE

Hon. Brooke Claxton (Minister of National Defence) moved:

That Bill No. 133, an act respecting national defence, and Bill No. 134, an act to amend the Militia Pension Act and change the title thereof, be referred to the special committee appointed to consider Bill No. 133, an act respecting national defence, and that the committee be empowered to consider the said bills.

He said: Mr. Speaker, we have had excellent co-operation from hon. members, but I would hope that we might have the unanimous consent of the house to refer these bills to the committee which has been set up. I think that is the wish of all hon. members.

Motion agreed to.

CANADA PRIZE ACT

PROVISION FOR PAYMENT AND DISTRIBUTION OF PRIZE MONEY

The house resumed, from Tuesday, April 18, consideration in committee of the following resolution—Mr. Claxton—Mr. Dion in the chair:

That it is expedient to present a bill to provide for the payment and distribution of prize money out of prize moneys presently and prospectively in the consolidated revenue fund.

Mr. Claxton: Mr. Chairman, if hon. members would permit I think it would be desirable that we get first reading of this bill today, so that it can be distributed and perhaps dealt with tomorrow. If it were given second reading, then it could be referred to the same committee, and that would be our intention. I can make a brief statement if hon. members wish, but I think in view of the lateness of the hour it may be better if hon. members would agree to adopt the course I have suggested.

Mr. Pearkes: There is no objection to the distribution of this prize money, but there are objections I think to the method by which it is being distributed. Will the minister say whether the same objectionable methods that were followed a couple of years ago will be adopted again?

Mr. Claxton: I would not make that admission, Mr. Chairman, but the method proposed is intended to be similar to that indicated a year ago. The purpose of the bill is, of course, to provide for the distribution of money which is either in the consolidated revenue fund, or which will come to it from the United Kingdom as prize money, payable in accordance with an agreement worked out between the various countries of the commonwealth.

This institution of prize money is a very old one as the member for Nanaimo has pointed out before. Indeed it dates back as far as the thirteenth century. At that time there were no organized naval forces, and prize money was paid to encourage adventurous privateers to join in the defence of the country in time of war. When the royal navy came to be organized, the possibility of prize money was one of the inducements which led men to join up. It has now been found, certainly in the United Kingdom, that prize money today is an anachronism; it is out of date. The United Kingdom has decided to pay

prize money for the last time in respect of the second world war to personnel of the navy, and to pay a proportion of the prize money earned into the benevolent fund of the Royal Air Force. In Canada we have made no decision yet.

The bill which will be introduced if the present resolution is adopted will propose a method of payment, and I would suggest to hon. members that we could discuss the whole matter better if we had the bill before us. I might just say this, that the amount involved for Canada is of the order of $2,500,000. There has never been prize money paid in Canada as a decision of the Canadian government. The prize money that was paid after world war I was paid under an imperial statute by royal proclamation. It included personnel of the Royal Canadian Navy, as well as the personnel of the other navies of the commonwealth. There never has been any undertaking to pay prize money in Canada. The reason why prize money was instituted as an adjunct to pay has long ceased to be in existence because the pay of the personnel of members of the Royal Canadian Navy is on terms corresponding to that of the army and the air force. The suggestion that prize money was necessary as a kind of compensation for the loss of possible earnings has ceased to exist, particularly in Canada, where our benefits to veterans are on a more favourable basis than in any other country. Moreover, the payment of prize money to individuals of the navy would discriminate against members of the army and the air force who had similar conditions of service, similar rates of pay, similar pensions and who, in every respect, had about the same sort of conditions.

I would hope, Mr. Chairman, if it is possible, to have the resolution carried and the bill given first reading so that we could consider it tomorrow.

Mr. Pearkes: There is just one question I should like to ask arising out of what the minister has said. Is there any intention to give a portion of this to the army benevolent fund?

Mr. Claxton: No.

Mr. Pearkes: You referred to distribution.

Mr. Claxton: No.

Resolution reported, read the second time and concurred in.

Mr. Claxton thereupon moved for leave to introduce Bill No. 221, to provide for the payment and distribution of prize money.

Motion agreed to and bill read the first time.

WAR VETERANS ALLOWANCE ACT

PROVISION FOR BENEFITS FOR CERTAIN FORMER MEMBERS OF FORCES OTHER THAN CANADIANS

Hon. Milton F. Gregg (Minister of Veterans Affairs) moved the second reading of Bill No. 180, to amend the War Veterans Allowance Act, 1946.

Mr. P. E. Wright (Melfort): Mr. Speaker, I think there is likely to be some discussion on this bill, and some desire on the part of at least some of the members that it should be referred to a committee. It being now five minutes to eleven, I would ask you to call it eleven o'clock and that I be permitted to adjourn the debate.

Mr. Gregg: I do not want to enter into the discussion at this late hour, Mr. Speaker, but we had a full discussion on the resolution. I am sure there were nearly twenty-five speeches, although it is true that some of them were quite short. The two items contained in the bill are extremely simple. There is nothing complicated about either of them. If there had been, I would certainly have asked that a committee be created to study them. But these two points are so simple that I am sure that at another sitting the committee of the whole could deal with them quite adequately; and if the house would agree tonight, I should like to see the bill pass second reading, if possible.

Some hon. Members: Agreed.

Mr. Wright: No, Mr. Speaker. I should like to comply with the minister's wish but I think there was a matter which was not decided finally when we were discussing the bill in the first place, especially with respect to the pensions for widows of veterans of the imperial army who had served less than twenty years in Canada but who, under the act as it stands at the present time, will not receive a pension. I think that this matter requires further discussion. As a matter of fact, I think there should be some amendments. If the minister is not prepared to discuss them in a committee, I feel that probably we would have to move some amendment on second reading, in committee, or on third reading of the bill. I therefore feel that I could not consent to have the bill given second reading at this time. I therefore move the adjournment of the debate.

Motion agreed to and debate adjourned.

Business of the House

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow the first item will be this bill on prize money which has just passed first reading; then Bill No. 210, to amend the Customs Tariff; Bill No. 82, to amend the Criminal Code; and if there is time left, Bill No. 180, to amend the War Veterans Allowance Act, 1946.

Mr. Pearkes: We shall have that bill with regard to prize money, shall we?

Mr. Fournier (Hull): I understand so.

Mr. Pearkes: We have not received it yet.

Mr. Abbott: It will be distributed in the morning.

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

HOUSE OF COMMONS

Wednesday, May 17, 1950

The house met at three o'clock.

RAILWAYS, CANALS AND TELEGRAPH LINES

SIXTH AND SEVENTH REPORTS OF STANDING COMMITTEE—CONCURRENCE IN SEVENTH REPORT

Mr. L. O. Breithaupt (Waterloo North) presented the sixth and seventh reports of the standing committee on railways, canals and telegraph lines, and moved that the seventh report be concurred in.

Motion agreed to.

INFORMATION SERVICES

REFERENCE TO "CANADIAN WEEKLY BULLETIN" OF MAY 12, 1950

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, on a question of privilege I wish to draw the attention of the house to the "Canadian Weekly Bulletin," of May 12, issued by the information division of the Department of External Affairs. On the last page there is a small item which reads:

> Mr. Drew's motion defeated: Accepting the government's previously expressed view that Canada's anti-subversive laws are adequate, the House of Commons, on May 8, rejected the motion of Mr. George Drew, Progressive Conservative leader, for amendment to the Criminal Code to make communism and "other similar activities" a criminal offence.

I would point out that the motion before the house dealt with communist and other similar activities. If this was regarded as a matter to be commented on by this weekly bulletin issued by a department of the government, then it would have been appropriate that the quotation marks be in the right place and that the words of the motion itself be used. There is a distinct difference between a proposal to make communism a criminal offence and appropriate legislation to deal with communist and similar activities. I have stated on numerous occasions that an attempt to deal in an act with communism under the name of communism is not effective because it is possible to change the name from time to time. That is the reason why the resolution was drawn as it was, and asked for appropriate legislation to deal with communist and similar activities.

At the appropriate time I will raise strong objection to public money being spent on a propaganda sheet of this kind. I object to such a sheet misrepresenting what has been stated in the house.

FIRE AND FLOOD DAMAGE

MANITOBA AND QUEBEC—APPOINTMENT OF COMMISSIONS OF INQUIRY

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I should like to communicate to the house a message I have just received, through the Secretary of State for Commonwealth Relations, from the Prime Minister of the United Kingdom. It is as follows:

> On behalf of my colleagues and myself I should like to convey to you the deep concern with which we have learned of the serious floods in Winnipeg. Please express our heartfelt sympathy with those who have suffered in the catastrophe.

I should also like to make the following announcement in connection with the Manitoba disaster.

The government of Canada has reached agreement with the government of Manitoba to appoint a fact-finding commission, consisting of Mr. D. Bruce Shaw of the city of Winnipeg, investment banker, and Mr. J. B. Carswell of the city of Vancouver, engineer, "to inquire into the nature and extent of the damage caused by the 1950 flood in the Red river valley in Manitoba, the cost of fighting the flood and the providing of emergency relief required because of the flood, and of emergency precautions to guard against the recurrence of such flood conditions, in order to make available at the earliest possible date a complete statement of all the essential facts necessary to determine the amount of the grant which the federal government should make to the government of Manitoba in order to assist that government in discharging its responsibilities in respect of the said flood."

Mr. D. Bruce Shaw is one of the leading investment bankers in the city of Winnipeg, where he has lived for a number of years. He will represent the government of Manitoba on the commission. The dominion's appointee is Mr. John B. Carswell, a prominent engineer of the city of Vancouver, who acted as chairman of the Fraser valley diking board set up by the joint action of the government of Canada and the government of British Columbia to supervise the reconstruction of the Fraser river valley dikes which were destroyed in the flood of 1948.

Fire and Flood Damage

I understand that my colleague, the Acting Secretary of State for External Affairs (Mr. Claxton), also has a statement to make as to the proceedings of the international joint commission in that connection.

I should also like to inform the house that a similar arrangement has been made with the government of the province of Quebec, and is evidenced by an exchange of telegrams which I ask permission to read and table.

(Translation):

The first is dated as follows:

(Text):

Québec, Qué., 16 mai 1950

Hon. Louis-S. St-Laurent,
Premier ministre du Canada,
Ottawa.

Faisant suite aux conversations par téléphone longue distance hier et aujourd'hui concernant incendies désastreux à Rimouski et Cabano il est entendu qu'un Comité chargé d'obtenir les renseignements nécessaires sera constitué immédiatement afin de faire rapport sans retard aux autorités fédérales et provinciales de Québec en vue de décider de l'aide financière à apporter à ce sujet. Je comprends que le représentant fédéral sera monsieur le brigadier P. Thériault de Québec. Le représentant du gouvernement de Québec sera monsieur Édouard Laurent secrétaire du ministère du Trésor à Québec. Sincères salutations.

Maurice-L. Duplessis

(Translation):

The reply I sent him this morning, after a talk with my cabinet colleagues, is as follows:

(Text):

L'honorable Maurice-L. Duplessis, M.A.L.,
Premier ministre de la province de Québec,
Hôtel du Gouvernement,
Québec, Qué.

Faisant suite à votre télégramme du 16 mai concernant incendies désastreux à Rimouski et Cabano je vous confirme l'entente entre nous telle qu'exprimée dans ce télégramme. Je comprends que le gouvernement de Québec a nommé monsieur Édouard Laurent pour le représenter au Comité dont il s'agit. Le gouvernement fédéral a nommé le brigadier A. Thériault comme son représentant et le Comité étant ainsi constitué il peut commencer son enquête immédiatement.

Louis-S. St-Laurent

Possibly hon. members would like to hear a translation of the telegrams so that they may see that the arrangement is in substance the same as that arrived at with the government of Manitoba. The telegram from Premier Duplessis, dated the 16th of May, 1950, reads as follows:

Following our long distance telephone conversations of yesterday and today concerning the disastrous fires at Rimouski and Cabano, it is understood that a commission charged with obtaining the necessary information will be set up at once to report without delay to the federal and the Quebec provincial authorities with a view to deciding about the financial aid to be extended. I understand that the federal representative will be Brigadier P. Theriault of Quebec. The representative of the Quebec government will be Mr. Edouard Laurent, secretary of the Quebec treasury department. Sincere greetings.

Maurice L. Duplessis

My answer, dated today, reads as follows:

Replying to your telegram of May 16 concerning the disastrous fires at Rimouski and Cabano, I confirm the understanding between us as set out in that telegram. I understand the government of Quebec has named Mr. Edouard Laurent to represent it on the proposed commission. The federal government has named Brigadier A. Theriault as its representative, and the commission being thus established, it can commence its inquiry at once.

Louis S. St. Laurent

It may have been noticed that Brigadier Theriault is named in one telegram as Brigadier P. Theriault, and in my answer as Brigadier A. Theriault. He is familiarly known to all of us as Pete Theriault. His first name is Antonin and that explains why the initials may appear to be at variance.

I may also say I have received from the premier of Manitoba and the mayor of Winnipeg an invitation to visit the region affected by the flood. It has also been suggested that I should visit Rimouski and Cabano. I have not yet had an opportunity to see what arrangements it may be possible to make, but I can give the assurance that the government does not intend to neglect any action that will assist in securing the required information to help in arriving at proper concrete decisions as to what aid should be extended in connection with these disasters.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, I know that all hon. members of the house will welcome every step that can be taken to deal as expeditiously as possible with the great disasters that have occurred at Rimouski and Cabano, and, over a much larger area, in Manitoba.

I offer one suggestion to the Prime Minister arising out of the announcement he has made. There is this distinction between the problem which must be considered at Rimouski and Cabano on the one hand, and in Manitoba on the other. Rimouski and Cabano are urban communities; in Manitoba there is a serious urban problem and a tremendous rural problem. Along with the very competent engineer who has been chosen I would suggest to the Prime Minister that consideration be given to appointing to the commission having to do with the situation in Manitoba an outstanding farmer who could deal with that particular aspect of the problem.

Mr. St. Laurent: I thank the leader of the opposition for his suggestion. There were only two members of the Fraser river valley commission, and it was felt that, so far as it might be possible to do so, it would be desirable to follow the same pattern. However,

in both cases the commissioners will certainly require expert assistance, and it is not intended to deprive them of any such assistance that can be of value to them in preparing proper reports.

RED RIVER VALLEY—REFERENCE TO INTERNATIONAL JOINT COMMISSION

Hon. Brooke Claxton (Acting Secretary of State for External Affairs): If I may be permitted I should like to make a brief statement supplementing that of the Prime Minister, dealing particularly with the international aspect of the flood situation.

As hon. members know, the fact that the Red river rises in the United States, many miles south of the international boundary, and that consequently the floods in Manitoba are contributed to by waters flowing north into Canada from the United States, means that the problem of flood control is international, and can be solved only by joint action of the United States and Canada. For this reason on January 12, 1948, both governments agreed to request the international joint commission to make recommendations to prevent the recurrence of floods in the area of the Red river valley. The commission was required—

—to conduct necessary investigations and to prepare a comprehensive plan or plans of mutual advantage to the two countries for the conservation, control and utilization of the waters under reference in accordance with the recommended apportionment thereof.

One of the principal objectives of this reference is the maximum possible control of flood conditions in the Red river valley. This presents an exceedingly difficult engineering problem, in the solution of which engineering investigations are being conducted for the commission by an international board of engineers which the commission has established, and which works in close association with provincial and state engineering authorities. The government of Canada has requested the Canadian section to expedite in every way possible the completion of the engineering investigation now in progress, and the recommendations that will be based on this investigation.

In this connection the government was assured of the full co-operation of the United States. On May 12 the United States government extended to the government of Canada the sympathy of the government of the United States of America for those suffering from the ravages of the Red river flood in Canada. They also informed us that the United States section of the international joint commission had been requested urgently to report, at the earliest date practicable, the best flood control measures to prevent the repetition of such disasters.

The government is grateful for this expression of sympathy, and is most gratified to have the assurance of the full co-operation of the United States government in this urgent and important matter.

Mr. Graydon: When did the international joint commission set up this board of engineers to make a report with respect to that project? I ask this question because there is a feeling that the international joint commission has been pretty leisurely about this matter, since it has been two years between floods and nothing has been done.

Mr. Claxton: I shall be glad to obtain the date for the hon. member.

Mr. Diefenbaker: Is it not a fact that from January 12, 1948, to May 1 of this year the international joint commission made no report with respect to the submission made to it two years ago?

Mr. Knowles: During which time we have had two floods.

Mr. Claxton: My understanding is that the facts on which the report necessarily must be based can be adduced only by the engineers who have been appointed by the commission to make the investigation, and it is the report of the engineers on which the international joint commission is waiting.

MESSAGE FROM BRITISH HOUSE OF COMMONS

Mr. Speaker: A few moments ago I received a cablegram which I think I should read to the house. It bears today's date and comes from the House of Commons, London, England, having been sent at 5.21 this afternoon, British time. It reads:

Speaker,
House of Commons,
Ottawa.

The whole House of Commons is grieved at the sufferings of the city of Winnipeg caused by the present disastrous floods. The generosity and brave friendship of your country have warmed our hearts on many occasions not far distant, and to you, Mr. Speaker, to the afflicted citizens of Winnipeg, and to the whole Canadian people we send our heartfelt sympathy.

Douglas Clifton Brown,
Speaker

QUESTION AS TO DESIRABILITY OF BOMBING OPERATIONS ON LAKE WINNIPEG

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): May I direct a question to the Minister of National Defence? Can the minister say whether any consideration has

been given to the possibility of blasting the ice in the Nelson river, or perhaps even a bombing operation in lake Winnipeg, to help get the water away? I do not know whether the idea is feasible, but it has been suggested to me and I put it to the minister.

Hon. Brooke Claxton (Minister of National Defence): When I was in Winnipeg on Saturday that question was referred to, and I understand from the representatives of the provincial departments concerned, as well as of the armed forces that it is not considered that the course suggested would have any beneficial effect. While I saw ice in lake Winnipeg, I was informed that the presence of it did not cause the Red river to back up in a way which interfered with the flow of the river.

TERMS OF REFERENCE OF SHAW-CARSWELL COMMISSION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): May I ask the Prime Minister whether it will be possible to have the terms of the Shaw-Carswell commission tabled or made public in some way?

Right Hon. L. S. St. Laurent (Prime Minister): I have just read them to the house, and I assume they will be in *Hansard*. If the hon. member wishes to see a copy of the statement I read to the house, I shall send it over to him.

Mr. Knowles: That is the complete document?

Mr. St. Laurent: That is the complete document.

UNEMPLOYMENT INSURANCE—REQUEST FOR WAIVING OF WAITING PERIOD

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): May I ask the Minister of Labour a question, based on a telegram a copy of which has been sent to me? Can the minister say whether he or his department have had a request from the trade union people in Winnipeg to waive the waiting period in connection with unemployment insurance for workers who have been put out of remunerative work by the flood conditions?

Hon. Humphrey Mitchell (Minister of Labour): May I ask the hon member the name of the person who sent that telegram?

Mr. Knowles: It is Mr. C. F. Schubert, international representative, retail, wholesale and department store union.

Mr. Mitchell: I may say to my hon. friend that the waiting period is statutory. It is a provision enacted by this parliament, and an amendment to the act would be required to change it.

Mr. Fulton: Bring it in, then.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

DEHYDRATED POTATO POWDER

Mr. Kirk (Digby-Yarmouth):

1. Has the Department of Agriculture carried out any research work in connection with the (a) development; (b) marketing of dehydrated potato powder?
2. If so (a) at what places was such research carried out; (b) under whose supervision?
3. Will the results of such research be made public, and the potato growers of Nova Scotia and other provinces notified?

Mr. McCubbin:

1. No. However, during the war investigations were conducted on dehydrated potato strips by the division of horticulture, central experimental farm, Ottawa, in co-operation with the division of chemistry, science service, and the fruit and vegetable division, marketing service.

2. Answered by No. 1.

3. Results of investigations on dehydrated potato strips were made available to processors.

CRIMINAL CODE—NEWFOUNDLAND

Mr. Higgins:

When is it expected to bring the Criminal Code into force in Newfoundland?

Mr. Garson: A draft bill bringing the Criminal Code into force in Newfoundland was sent to the attorney general of Newfoundland with the request that he comment thereon and furnish a list of the Newfoundland criminal statutes to be repealed. A reply was received on May 9, and the final draft of the bill is now being prepared.

WARTIME HOUSING—LANDSCAPING

Mr. Knight:

1. Is landscaping of wartime housing property let by contract?
2. If so, what size units do these contracts cover?
3. What amount of money has been spent by the government for this purpose in (a) Saskatoon; (b) Edmonton?
4. Considering only the lots where such improvements have been carried out, what is the average expenditure per lot across Canada for such landscaping?

Mr. Prudham:

With respect to war workers and veterans rental housing, built by Wartime Housing Limited and Central Mortgage and Housing Corporation:

1. Yes.

2. The number of house lots covered by these contracts varies from 25 to 500.

3. (a) $57,228.60; (b) $64,643.34. Contracts for the landscaping of projects initiated under the 1948 and 1949 programs have not yet been awarded.

4. $65 per lot.

CHALK RIVER ATOMIC ENERGY PLANT—SALARIES

Mr. Hodgson:

How many officials or employees of the atomic energy plant at Chalk River, Ontario, receive $6,000 or more per year, and what are their names and official positions?

Mr. Cote (Verdun-La Salle):

Name— Official Position—

Keys, Dr. D. A., Vice-president (scientific) and project manager.

Lewis, Dr. W. B., Director, research division.

Taylor, Dr. R. M., Chief, medical services.

Skelly, Dr. W. R., Senior works doctor.

Hatfield, G. W., Manager, industrial operations.

Cipriani, Dr. A. J., Assistant director, biology and health radiation subdivision.

Watson, Dr. W. H., Assistant director, physics subdivision.

Williamson, Dr. N. L., Senior works doctor.

Laurence, Dr. G. C., Assistant director, chemical and engineering subdivision.

Gray, J. L., Chief, administrative services.

Renton, Dr. E. M., Works doctor.

Sargent, Dr. B. W., Head of nuclear physics branch.

Dobush, P., General superintendent, architectural service.

Cook, Dr. L. G., Head, chemical branch.

Gilbert, F. W., General superintendent, industrial operations.

Wright, R. F., Assistant manager, industrial operations.

Hansen, Dr. E. B., Dentist.

Morison, T. W., General superintendent, administrative services.

ILE A LA CROSSE, SASK., POSTMASTERSHIP

Mr. Coldwell:

1. For how long was Mr. A. Ahenakew the postmaster at Ile a la Crosse, Saskatchewan?
2. Were there any irregularities in the post office prior to November, 1949?
3. If so, what was the nature of these irregularities?
4. What action, if any, was taken in each case?
5. Have any specific charges been brought against Mr. Ahenakew as a result of the shortage in accounts which occurred in November, 1949?
6. If so, what are these charges?
7. If not, why was he relieved of office?
8. Has Mr. Ahenakew offered any explanation of the shortage in accounts?
9. If so, what is this explanation?
10. How did this shortage in accounts first come to the attention of the authorities?
11. What is Mr. Ahenakew's present address and occupation?
12. What is his age?

Mr. Lapointe:

1. From August 5, 1948 to November 24, 1949.

2. Yes.

3. (a) Failure to promptly send in money order returns in July and August, 1949; (b) failure to remit relative money orders for c.o.d. parcels during October, 1949.

4. Inquiry made by district post office inspector, Saskatoon.

5. Yes.

6. The district post office inspector has been instructed to lay charges under section 98 of the Post Office Act and to consult the crown attorney as regards laying charges under section 94 of the Post Office Act.

7. Because of a shortage of about $2,000 in accounts in November, 1949.

8. Yes.

9. Mr. Ahenakew has stated that accounts of the store and charges on c.o.d. parcels were settled by money order without the relative money to cover the money orders being placed in the post office till.

10. As a result of the inspection of the office by the post office inspector.

11. Not known.

12. Sixty-three years.

CANCER—TUMOUR REGISTRY

Mr. Macnaughton:

1. Has a tumour registry been established in the Department of National Health and Welfare?
2. If so, what are its functions?
3. May any Canadian physician or surgeon send material to the registry?
4. Is the registry organized to obtain information regarding the likelihood of recurrence following treatment of various types of cancer?
5. Are tumour registries of this type maintained by other countries?

Mr. Martin:

1. Yes. The Department of National Health and Welfare has collaborated with the National Cancer Institute of Canada in the establishment at the laboratory of hygiene of the Canadian tumour registry.

2. From across Canada tissues from the rare as well as the commoner tumours are being sent to the registry, together with pertinent clinical data. Microscopic preparations are made and the tumours are catalogued

and indexed for further study. Sets of preparations are made which will be available for study to those doctors in Canada concerned with cancer diagnosis.

3. No. The Canadian tumour registry is for the use of pathologists since pathologists only are concerned with the microscopic diagnosis of cancer.

4. The registry is in constant communication with contributing pathologists regarding this matter by means of a follow-up system which has been organized. At intervals cards are sent to contributing pathologists requesting information as to the condition of the patient from which the tumour was removed.

5. Yes. In the United States, located at the American Institute of Pathology, Washington, and in London, England.

HEALTH AND WELFARE—INFORMATION SERVICES

Mr. Cleaver:

1. How many employees of the information services division of the Department of National Health and Welfare are engaged as editors or writers of periodicals, booklets, etc., and/or in connection with the production of radio features, films or film strips on health or welfare education subjects?

2. What additional staff is there in the division, and what is the nature of their duties?

Mr. Martin:

1. Eight.

2. Nine stenographers and typists; 6 clerical duties; 2 shippers and packers; 1 biological photographer; 2 darkroom technicians.

FREIGHT RATES—GRAIN SHIPMENTS TO NEWFOUNDLAND

Mr. Hatfield:

1. How many cars of grain were shipped under the subsidized freight payments to Newfoundland since confederation to date?

2. How many bushels of each kind of grain did each car contain?

3. What price was the above grain invoiced at?

4. Who made the request for the subsidy freight payment?

Mr. McCubbin:

1. Information not available. Feed grain is not always shipped in car lots.

2. Answered by No. 1. Statement shows total weight of each kind of grain shipped during period April 1, 1949, to April 30, 1950.

Kind of grain	Tons	Bushels
Wheat	609·90	20,330–00
Oats	8,145·90	479,170–20
Barley	1,665·95	69,414–28
Rye	14·00	500–00
Screenings	489·15	Nil
Millfeeds	2,354·10	Nil
Total	13,279·00	

3. Examination of the invoices shows that grain shipped to Newfoundland was invoiced at various prices dependent on date and conditions of purchase.

4. Payments made on claims submitted by wholesale handlers of feeds and feed grain on submission of proof that (1) the grain has been shipped and the freight paid, (2) that the grain has been sold to a consumer, retail dealer or co-operative, and (3) that the consumer or retail buyer has been allowed the freight assistance claimed by the wholesaler.

Statement of amount paid to each dealer during period April 1, 1949, to April 30, 1950:

Firm's name	Amount
Barnett & Company, Montreal, Que.	165.00
Blatchford Feeds, Toronto, Ont.	5,326.87
Bosco & Bower, Montreal, Que.	672.00
Canada Packers, Montreal, Que.	542.92
E. W. Caron, Montreal, Que.	25,684.67
Canada Packers, Truro, N.S.	1,427.64
Clarke Trading Co., Montreal, Que.	2,383.69
Co-operative Federee de Quebec, Montreal	17,042.70
McCabe Grain Co., Winnipeg, Man.	560.00
Maple Leaf Milling Co., Toronto, Ont.	31,795.24
Ogilvie Flour Mills Co., Montreal, Que.	19,624.11
Parrish & Heimbecker Ltd., Toronto, Ont.	945.00
Purity Flour Mills Ltd., Montreal, Que.	4,050.57
Purity Flour Mills Ltd., Toronto, Ont.	1,540.83
Quaker Oats Co. of Canada, Peterborough, Ont.	38,249.14
Ralston Purina Co., Woodstock, Ont.	17,163.91
Red River Grain Co., Winnipeg, Man.	16,958.75
Richardson & Sons, Montreal, Que.	2,337.90
Richardson & Sons, Toronto, Ont.	351.38
Robin Hood Flour Mills, Montreal, Que.	1,312.44
Rowlings Limited, Halifax, N.S.	701.56
St. Boniface Grain & Feed Co. St. Boniface, Man.	570.00
St. John Milling Co., St. John, N.B.	1,805.71

Firm's name	Amount
St. Lawrence Flour Mills, Montreal, Que.	13,536.14
Hugh M. Scott, Montreal, Que.	13,170.73
Speed Milling, Hespeler, Ont.	540.37
H. K. Starnes & Co., Montreal, Que.	21,637.25
Master Feeds, Toronto, Ont.	1,588.74
Toronto Elevators Ltd., Montreal, Que.	8,308.69
Tougas & Tougas Ltd., Montreal, Que.	6,887.09
Elzebert Turgeon Ltd., Montreal, Que.	627.30
Turgeon Grain & Processed Feeds, Seaforth, Ont.	6,587.28
J. M. Vittie & Co., Montreal, Que.	2,226.41
Total	$266,322.03

QUESTION PASSED AS ORDER FOR RETURN

RELIEF PAYMENTS TO PROVINCES

Mr. Hansell:

1. Did the dominion government advance any moneys to any of the provinces during 1949 for the purpose of relief?

2. If so, how much was advanced to each province, and on what agreement?

MOTIONS FOR PAPERS

ILE-À-LA CROSSE, SASK., POST OFFICE

Mr. Coldwell:

For a copy of all correspondence and other documents exchanged between any person or persons and the post office and transport departments since January 1, 1949, with respect to the post office at Ile-à-la-Crosse, Saskatchewan.

ILE-À-LA CROSSE, SASK., POSTMASTERSHIP

Mr. Coldwell:

For a copy of all correspondence, telegrams, and other documents exchanged between Mr. A. Ahenakew, of Ile-à-la-Crosse, Saskatchewan, and the government, since January 1, 1948.

AGREEMENT BETWEEN C.P.R. AND CUSTODIAN OF ENEMY PROPERTY

Mr. Richard (Ottawa East):

For a copy of a certain agreement entered into between the Canadian Pacific Railway Company and the custodian of enemy property in Canada in 1931 and referred to in order in council P.C. 458, dated the 6th day of March, 1937.

Mr. Bradley: Mr. Speaker, this is a matter which happens to come under my jurisdiction, and concerns an agreement which was entered into some years ago between the custodian and the Canadian Pacific Railway Company relating to certain shares which were transferred, I believe during the first world war. We regard this as a privileged document. The question as between the parties is now before the courts, and for that reason I must object to the production of the document.

Motion dropped.

FISHERIES

NEWFOUNDLAND COD FISHERY—QUESTION AS TO PRICE SUPPORT

On the orders of the day:

Mr. W. J. Browne (St. John's West): I should like to direct a question to the parliamentary assistant to the Minister of Fisheries, of which I have given notice. In view of the serious situation which has developed in many parts of Newfoundland, due to the determination of fishermen not to prosecute the cod fishery this year until they are given a definite assurance that they will receive a fair price for fish caught, is the government prepared to give such assurance? If not, will the government make a statement as to what it is prepared to do in regard to price support for the 1950 catch of (a) shore fish, and (b) Labrador fish?

Mr. J. W. MacNaught (Parliamentary Assistant to the Minister of Fisheries): Mr. Speaker, I believe that little can be added to the answer made to the member for St. John's East (Mr. Higgins) in reply to a similar question a few days ago. A meeting of persons interested in the salt codfish industry of the Atlantic provinces is being convened in Ottawa next week by the Department of Fisheries, for the purpose of ascertaining all the facts in connection with this complex problem. Notices of this meeting are going forward to the industry today. When government policy has been formulated, it will be announced.

INQUIRIES FOR RETURNS

PUBLIC SERVICE—TRAVELLING AND LIVING EXPENSES

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): I should like to direct the attention of the Secretary of State to the fact that two questions standing in my name were passed as orders for returns on April 24. The first one dealt with travelling and living expense accounts of all departments of government since April 1, 1949, and the second with travelling expenses and living allowances of government officials who have travelled beyond the borders of Canada since April 1,

1949. Can this information not be provided now? The public accounts committee is sitting, and it is necessary to have it.

Hon. F. G. Bradley (Secretary of State): Mr. Speaker, the question to which the hon. member refers involves a considerable amount of research, and the gathering in of a lot of items. In addition several departments are involved. We have been endeavouring, particularly during the last couple of days, to speed the obtaining of this information, but it will still take a few days before we can bring it all together.

I suppose it often happens that questions are asked which cover a wider field than the member asking the question actually intended to cover. If the hon. member could restrict his question somewhat, we might produce at an earlier date the information he wants.

Mr. Diefenbaker: I do not think it should be necessary to restrict the question. All I ask for is the travelling and other expenses incurred by persons travelling for the government of Canada outside of Canada. That should be readily available.

Mr. Graydon: The books must be mixed up.

Mr. Bradley: I do not keep the books.

MINISTERS AND PARLIAMENTARY ASSISTANTS—TRAVELLING EXPENSES

On the orders of the day:

Mr. G. K. Fraser (Peterborough West): When the Secretary of State is getting the information requested by the member for Lake Centre (Mr. Diefenbaker), will he get the answer to my question which was made an order for return on March 16? It concerns the travelling expenses of cabinet ministers and parliamentary assistants. I do not think it should need any research.

DOUKHOBORS

DAMAGING OF C.P.R. BRIDGE AT GRAND FORKS, B.C. —REQUEST FOR MOUNTED POLICE ASSISTANCE

On the orders of the day:

Mr. O. L. Jones (Yale): Mr. Speaker, in view of the worsening situation in the Grand Forks area of British Columbia, where the Doukhobor atrocities culminated in the blowing up of the Canadian Pacific Railway bridge at Grand Forks on Sunday night, and in view of the suggestions forwarded to the Minister of Justice by the Grand Forks council and board of trade, is the minister prepared to make a statement on this serious situation which has aroused the citizens of this area?

[Mr. Diefenbaker.]

Hon. Stuart S. Garson (Minister of Justice): I wish to thank the hon. member for having given me notice of his question. The only information we have, other than that which has appeared in the press, is that on Monday morning, May 15, we received a telephone message from Mr. Mead, a former Royal Canadian Mounted Police officer who is advising the British Columbia government in this connection, to the effect that both ends of the Canadian Pacific Railway bridge at Grand Forks had been blown up with dynamite. It was believed that Doukhobors were responsible, and that it was an indication of defiance following the arrest of a number of Doukhobors a few days previously by the British Columbia police.

We received a telegram from the attorney general of British Columbia, Hon. Gordon Wismer, requesting that an officer and twenty men of the Royal Canadian Mounted Police be lent to the British Columbia police, because of the continued threat of violence in Doukhobor communities. The commissioner of the Royal Canadian Mounted Police instructed that members of the force from Alberta, to the numbers requested, should report to Nelson, British Columbia, where they will act under the direction of the commissioner of the British Columbia police, and Mr. Wismer was advised accordingly.

CANADA PRIZE ACT

PROVISION FOR PAYMENT AND DISTRIBUTION OF PRIZE MONEY

Hon. Brooke Claxton (Minister of National Defence) moved the second reading of Bill No. 221, to provide for the payment and distribution of prize money.

He said: Mr. Speaker, as I pointed out yesterday, prize money dates from the thirteenth century. A reference to its antiquity was made in the London *Times* of December 20, 1945, where it was said:

> For centuries the hope of prize was largely responsible for keeping the navy adequately manned. The reward of a successful engagement was the distribution among the crew of the value of the capture.

The arrangements for payment varied from time to time. Up to the great war of 1914-19, one-third of the value of ship and cargo taken as prize was kept by the crown; two-thirds were paid to the crew which actually made the capture. After the great war, however, the prize fund, consisting of two-thirds of the value of all prizes, was distributed not to the crew making the capture but among personnel of all His Majesty's navy on a graduated per capita basis. An admiral received two hundred and eighty-three times

as much as an ordinary seaman. The minimum qualification was one month's service at sea. Shares were distributed according to rank and sea service. Thirty months at sea was required for the maximum share. But the administration of the fund proved costly and difficult, and it was not until twelve years after the war that the final payment was made. It should be emphasized that even in the United Kingdom no one had a right to prize money but that payment was made as an act of grace by exercise of the royal prerogative.

In Canada, prize money has never been distributed at the instance of the Canadian government. After world war I, personnel of the Royal Canadian Navy participated in the distribution of the fund not as a result of Canadian legislation but as a result of the enactment by the parliament of the United Kingdom of the Naval Prize Act, 1918, and of the royal proclamation that followed. When it came to the question of prize money in the second world war, the situation had changed. Shortly after the war the nations of the commonwealth reached an agreement as to the method of division between the various countries.

Four main points were agreed to. First, since personnel of all the navies were spread throughout many theatres of war, the actual location of the capture and the ultimate disposal of the vessel taken should not be the test for determining who should benefit. It was therefore agreed that all nations would contribute to a common pool the proceeds of prize, wherever captured, and the pool should eventually be distributed among the nations on the basis of comparative strengths of their respective naval forces.

Second, it was agreed that personnel of the air forces should participate. In previous wars, only naval personnel had benefited. This was agreed to in recognition of the arduous work undertaken by air force units, and particularly by coastal commands whose efforts in search and shadowing contributed substantially to the building up of the fund.

Third, it was agreed that, for the purpose of allocating the fund between the naval and air forces, it would be assumed that the fund was built up as to seventy-five per cent by naval action, and as to twenty-five per cent by air force action. The sum due to naval action would then be divided in proportion to the peak naval strength of each nation participating, and the same approach would be adopted for the sum to air force action.

Fourth, and finally, it was agreed that each nation would determine the manner in which its share of the total proceeds would be dealt with.

The United Kingdom Prize Act, 1948, deals with the proceeds of prizes taken during the second world war, but of course makes no reference as to how Canada's share will be disposed of in Canada. As the explanatory memorandum to the United Kingdom Prize Act, 1948, states:

> Any grant of prize money which may be made under the prerogative for the benefit of forces raised by a dominion within the meaning of the Statute of Westminster . . . being outside the purview of the parliament of the United Kingdom, is not the subject of any provision in the bill.

It is estimated that the approximate net amount that will be realized by Canada in respect of prize money will be $2,500,000. If we apply the formula agreed upon, the share payable in respect of the navy would be approximately $1,700,000, or sixty-eight per cent, and the air force share would be about $800,000, or thirty-two per cent.

We have considered two alternative methods of distribution. The first was distribution to individuals. The second was to apportion the Canadian share to the naval and air force benevolent funds respectively. In considering methods of distribution, it may be convenient to see what the situation is in other nations.

In the United States of America, prize money has not been distributed since the Spanish-American war. The proceeds of sale of captured enemy vessels are paid into the treasury. The only comparable position is found in the nations of the commonwealth. Under the method of distribution adopted in the United Kingdom, the air force share will not be distributed to individuals. Instead, it will be paid to charitable and welfare organizations serving past and present members of the Royal Air Force. In the United Kingdom the naval share is being distributed to personnel who have rendered at least 180 days' service at sea, and have not, for any reason of misconduct, forfeited their entitlement. Payments will vary with rank, with one person getting as much as ten times the share of another. It is quite apparent that the only reason the naval share is being distributed to individuals in the United Kingdom is that it was felt that in view of the long tradition of prize money in the Royal Navy, it would be unfair to discontinue in respect of the second world war the practice followed for many years.

It is, however, interesting to note that in the United Kingdom section 8 of the prize act of 1948 has ensured that prize money will never again be paid. His Majesty consented that his prerogative to do so shall not be exercised in respect of any future wars. This is done because the practice of paying prize

money is regarded as an anachronism. To quote again from the *Times* of December 20, 1945:

> There is a widespread feeling that it would suit modern conditions of service better for this historical relic to be assimilated into the normal grant of gratuities on future occasions.

Hon. members will observe from clause 4 of the bill that the proposal is to pay the naval share to the naval benevolent fund and the air force share to the R.C.A.F. benevolent fund. No difficulty is encountered in connection with the air force share; there is no precedent for payment of individual shares in the case of the air force.

I think I should clear up one or two points. There was no undertaking, express or implied, that prize money would be paid on a share basis to personnel of the Royal Canadian Navy. We were therefore free to choose the method of distribution most appropriate to Canadian conditions, and best calculated to benefit naval personnel generally.

The various possible methods of individual distribution were carefully considered, and one by one they were eliminated as unfair and inappropriate to modern conditions of service.

The solution of paying a share to all who served in the navy without regard to rank or sea service was obviously impracticable. The proposal that only persons who had service at sea should benefit is also open to serious objections, because some of those who served on land might have contributed as materially to the taking of a prize as many of those who served at sea. Indeed only two prizes were taken by the Royal Canadian Navy throughout the course of the war. Moreover, if a period of sea service was laid down as a prerequisite, how long a period should it be? One day, one year, or the British qualifying period of 180 days? But what about men who were killed in action after a period of less than 180 days at sea? It became apparent that any arbitrary minimum period would make for unfair discrimination and would be quite unrealistic.

Then of course the question whether or not rank should be taken into account gave rise to difficulty. After the first great war an admiral received 283 times as much as a seaman, and in the United Kingdom on this occasion the differential is reduced to ten times; but still what is the proper differential?

I suggest too that the reason for prize money has long since disappeared. Today officers and men of the navy are paid on exactly the same basis as officers and men of the army and air force. The conditions of service are similar. The sacrifices involved are similar. It was our aim to treat everyone alike. On these accounts we could not see any justification for continuing what everyone regards as something that is utterly out of date. Therefore rather than wait until the next war—if there is to be a next war—to abolish this, or to refrain from making the payment, the naval board recommended to the government that we should adopt this course as in the interests of the great body of sailors, and as a disposition of the matter which would please the greatest possible number.

It has been suggested that we should have adopted another approach to this matter, and consulted the men who might have benefited. Well, before we could consult them we would have had to ascertain who they were, and that was exactly one of the matters which gave rise to the greatest difficulty and one of the chief objections to the whole matter. Of course, the naval officers on the naval board themselves would have benefited from prize money, and they themselves unofficially consulted many of their comrades.

I submit, Mr. Speaker, that the manner in which it is proposed to dispose of the fund is one which best meets the circumstances. The proceeds of prize money are very similar in their nature and origin to the proceeds from canteen sales and sales of commodities made through the savings of ships' companies themselves, and should therefore be disposed of in the same way as proceeds of canteen funds, and the like, which are paid over to the naval benevolent fund.

That was the course decided upon by this parliament before with respect to canteen funds, and we believe that it is the right course to follow in this case. Therefore, Mr. Speaker, I hope that the house will agree with the proposals put forward in this bill.

Mr. Coldwell: Will the hon. gentleman permit one question? He has told us about the anachronism of prize money, and how it was paid in the past. How does it originate? On what basis?—on the basis of the number of ships captured and sunk, the number of men in those ships who are captured or killed, or how?

Mr. Claxton: It has varied through the centuries; but substantially the prize money is the actual value of the ship and cargo that is taken in prize from the enemy.

Mr. Macdonnell (Greenwood): How measured?

Mr. Claxton: By the disposal value of the ship.

Mr. Coldwell: Have they abandoned the old idea of paying on the value of the men captured or killed?

Mr. Claxton: No, men are not valued; only the ship.

Mr. Pearkes: That was blood money.

Mr. Claxton: As the hon. member for Nanaimo points out, that fell into a different category, though frequently lumped together for purposes of consideration. But in this instance the two vessels taken in prize by Canada were the German vessel *Weser* and the Italian vessel *Capo Noli*. These would have been condemned at prize by the Canadian prize court, which would have fixed a value on them, and it would have been that value, or the proceeds of their sale, which would have been paid into the prize fund. However, in this case both ships were sunk before they were condemned at prize, and the proceeds of the insurance on the ships now represents the value of the ships and constitutes the Canadian contribution toward the pool.

Under the old arrangement which was in effect until the first world war, the crown would have kept one-third—because all this goes to the crown and forms part of the royal prerogative—and two-thirds would have been paid to the officers and men of the ship which made the capture. At the end of the first world war it was decided that apportionment should be made among all those who served at sea for a certain time. The proposed method of distribution in the United Kingdom is that distribution would be made to all those men who served 180 days, with senior officers receiving ten times as much as the seamen.

Mr. G. R. Pearkes (Nanaimo): Mr. Speaker, I do not think it is necessary to go into the historical background of the distribution to the sailors of that portion of the funds which was obtained from prizes. It has been discussed in this house before. The fact that conditions of service have changed, rates of pay have been augmented and the benefits to sailors after their service have increased tremendously in comparison with the conditions obtaining a hundred years and more ago, bears out the contention that the distribution of prize money grants to sailors is an out-of-date method.

Naval traditions, however, die hard. After the first world war considerable sums of money were distributed by the admiralty to men of the Royal Canadian Navy. Many of these same men served during world war II and they had a reasonable anticipation of obtaining some prize money grants at the end of that war.

The minister has called attention to the fact that the admiralty has decided that in any future war no prize money will be distributed to the men of the fleet. He said that the admiralty had recognized that it would be unfair not to distribute prize money after this war to men who had been expecting it. If it is unfair not to distribute money to men of the Royal Navy who were expecting some small grants from prize money, it is equally unfair not to distribute some small amount of money to the men of the Royal Canadian Navy.

It is no use saying that there was no undertaking. Of course there was no undertaking, but there was no undertaking as far as the men of the Royal Navy were concerned. These grants have always been acts of grace and the men of the Royal Canadian Navy know perfectly well that there was no undertaking to pay these grants. But they expect that the same act of grace would apply to them as was applied to the sailors of the Royal Canadian Navy after the last war. They feel that it is an ungracious act that there should be denied to them the small amount of money which would be coming to them as a result of prizes which were captured.

The amount is quite immaterial. The fact remains that there is an old naval tradition which is being broken. That is hurting the morale of the navy and it is hurting the men who served in the navy and are now retired into civilian life. I regret very much that the minister has arrived at this decision.

If the men are not going to receive the grants there is no better place for them to go to than the naval benevolent fund. But I am still firmly of the opinion, which opinion is supported by a number of letters I have received recently—I received one only yesterday and another one from Esquimalt only a week ago—that the men feel this very keenly and resent what they consider to be a high-handed and arbitrary decision to refuse them the small amount of money they thought was coming to them.

If the money is not going to be distributed among the crews of the ships, then these men would like to see it go to the naval benevolent fund rather than anywhere else. Yesterday the minister said, as reported on page 2563 of *Hansard*:

> The suggestion that prize money was necessary as a kind of compensation for the loss of possible earnings has ceased to exist, particularly in Canada, where our benefits to veterans are on a more favourable basis than in any other country.

That may be true, but the purpose of the naval benevolent fund is to augment those very benefits which the minister points out

are so generous. The explanatory note to section 4 of the bill states that the naval service benevolent trust fund is used to relieve distress and promote the well-being of members or ex-members of the naval forces of Canada or their dependents.

One of the objections raised is that many of the men in the service today would not have contributed anything toward the actions which produced these prizes because they are new recruits who came into the navy since the cessation of hostilities. It is little use to continue this argument which has been continued at some length. The minister and the government have made up their minds to distribute this money in the manner indicated. I repeat that I regret that they have reached that decision as I consider it unfair and breaking an ancient tradition which might well be preserved. I submit it would have been much better to have taken a little time and distributed the amounts accruing to the individual men. Therefore I am opposed to this bill.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, I wish to indicate that I am also opposed to this bill for the reasons outlined by the hon. member for Nanaimo (Mr. Pearkes). However, one thing strikes me particularly about this matter and that is that whereas the minister has pointed out that in the United Kingdom it has been decided not to continue the distribution of prize money in any wars which may subsequently take place, they are going on to distribute all prize moneys which accrued as a result of the war just concluded. We in Canada have gone a step beyond that and have decided not only not to distribute prize money in any subsequent war in which we may be involved but not to distribute prize money of the war of 1939-45.

That being the case I would have expected to find in the bill some concrete provision that hereafter no prize money would be payable, that notwithstanding whatever source it might come from in the future no prize money would be distributed to Canadian sailors or members of the air force. There is no such provision in the bill. It seems to me that that should have been made clear in the legislation so that men who join the forces in the future will know exactly where they stand. To me that makes the bill twice as objectionable as it otherwise would be.

We are legislating to lay down a principle to be applied now and in the future and are also denying to a group of men what would otherwise have been theirs. It seems to me that the bill is so utterly devoid of principle that it becomes nothing more or less than—

Mr. Macdonnell (Greenwood): Theft.

[Mr. Pearkes.]

Mr. Fulton: I was going to use that word but the hon. member for Greenwood has supplied it for me. The minister has said that it is difficult to get in touch with these men to find out how they feel about it and so the government decided to take the law into their own hands and pass legislation which has a retroactive effect, which is always objectionable. It is particularly objectionable in this case because it denies to men who served through the war money, small though it may have been, which they felt they were entitled to by virtue of their service and the vessels which they captured. I think this is a most objectionable and fraudulent piece of legislation, and I am opposed to it.

Mr. Ray Thomas (Wetaskiwin): Mr. Speaker, I should like to say a word in protest against the bill. As the hon. member for Nanaimo (Mr. Pearkes) said, I feel that no organization is more deserving of this prize money than the benevolent funds if it is not going to be distributed individually. The amount of money involved for each individual would probably be very small indeed. Nevertheless it is the principle involved. In future wars it will not be distributed individually, and possibly it should not have been during the past war as the minister has said that no assurance was given that it would be. On the other hand, no statement was made to the men that it would not be distributed, and they expected it and looked forward to it as a matter of tradition and right. After they have waited for some word about this matter for the past five years, the government has now decided that it will not give it to them. I honestly believe that the whole matter of awarding prize money is out of date, but nevertheless during the period of the past war every sailor in the Canadian navy had a right to expect the payment of prize money in line with the traditions of the navy. If he was not going to get it he should have been told prior to his enlistment. If the bill dealt only with future wars I might be in agreement with it, but I do not believe in taking their prize money away five years after they have earned it—something that has been traditionally theirs.

Mr. James Sinclair (Coast-Capilano): Mr. Speaker, in view of the remarks of the last two speakers I think I should present the opposite point of view. I do not pretend to speak for the air force but I know the feelings of my colleagues with whom I served in that force. Their general feeling is that the method proposed by the bill is the only sensible way to distribute this prize money. The practice of distributing prize money goes back to the days of the privateers when crews were enlisted forcibly by letters of mark. These men were sent abroad and they

believed they were going to get a good thing out of whatever they captured. Such a practice really has no connection with our modern navy, army or air force. If it is a question of awarding it to the navy because of what they captured, then may I suggest that if there is one service which should be getting the prize money it is the Canadian army. Infantry and tanks captured a thousand times more real property than the navy.

There is a second point which I think is important today. It is the matter of trying to get consistent terms of service in the three branches of our armed forces. This is not a new thing with me. I remember at the time of the conscription debate in 1944 one of the reasons why the army had such trouble in getting recruits at the very time that the air force was turning them away was the fact that conditions of service in the air force had been made so attractive, mainly owing to the great interest taken by the former minister for air, the present member for Quebec South (Mr. Power). As a Canadian and a veteran I am glad to see the steps that have been taken since the war to provide the same conditions of service and the same rewards for service in each of the three branches. Without any authority from the air force association or anybody else I can say that no airman joined at the beginning of the war with the expectation of receiving prize money. I further say that not one Canadian in a thousand who joined the Canadian navy ever thought or expected to receive prize money. I would also say that the great rank and file of veterans who served either in the navy or in the air force think that the best place to put the money is in the benevolent funds in order to help those of our colleagues who may need assistance from that source. When I hear the hon. member for Kamloops (Mr. Fulton) making a suggestion of fraud I think he is getting very far from the feeling of the average man who was in the services with regard to this prize money.

The point I want to make is a little different. If the money is going to be turned over to the navy and air force benevolent funds for the use of naval and air force veterans who may need help, I think there is a direct obligation on the government and on parliament to exercise a little more scrutiny of the funds than is the case today. In the last two or three days I was a little shocked to read in a newspaper—I just cannot put my finger on it at the moment—a report of the R.C.A.F. benevolent fund. As I recall, in round figures the fund amounts to around $2 million. Last year they paid out about $50,000 in grants and loans to deserving air force veterans. The astounding thing, however, is that the cost of administration was $53,000. It may have been an error in the paper but if it cost $53,000 to administer loans amounting to $50,000 then the government had better take an active interest in the proceedings of this benevolent association before turning over this prize money.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I do not intend to try to make a mountain of this matter but I cannot help expressing a word of regret because it seems to me, as has already been said, that we are dealing *ex post facto* with a situation which existed. I very much doubt that the minister will be able to assure us that no reference to prize money was made in the recruiting of navy personnel. I doubt very much that he could give such an assurance, and even if he did it is quite possible that a good many men, knowing the history of the navy, may have been induced to join by that as well as by other reasons.

Mr. Sinclair: That is putting a pretty low price on naval enlistment.

Mr. Macdonnell (Greenwood): No, I disagree with that entirely. I do not agree that there should not be a sort of element of sportsmanship in a thing which had a great element of risk in it anyway. As the hon. member pointed out so well, the army, about which as a former member of the air force he spoke so generously, had considerable opportunity as a matter of fact by private initiative to do a little collecting on its own, whereas those who were on the sea and in the air did not have much chance to do that. Speaking seriously again, I will not labour the point but I cannot help but say that I do not believe this is the proper way to handle it.

Mr. Coldwell: Did the hon. member say "private enterprise" or "private initiative"?

Mr. Macdonnell (Greenwood): Private initiative. I cannot forbear expressing some regret that we did not see fit to deal with this matter as they did in Great Britain where it seems, as so often is the case, they found a useful compromise.

Mr. H. P. Cavers (Lincoln): Mr. Speaker, I had not intended to inject myself into the debate but there have been certain remarks in connection with the bill about which I should like to say something. While I cannot speak for members of the Canadian navy I feel—and it is my experience that this is the view of those who were in that service—that few looked forward to prize money on enlistment. I feel that those who enlisted did so for a much higher purpose than obtaining prize money which might be theirs as the result of moneys in this fund. It seems to me also that many of

those who served in the army, navy and air force have now rehabilitated themselves in civilian life, and that they are quite prepared to have the money turned over to those less fortunate who may need it for some benevolent purpose.

Mr. Claxton: Mr. Speaker—

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

Hon. Brooke Claxton (Minister of National Defence): I have only one or two words to say. In the first place I should like to assure the hon. member for Greenwood (Mr. Macdonnell) that I made most careful inquiries of the navy and at national defence headquarters, and it was not possible to find that in any recruiting publicity the holding out of the possibility of prize money was used as an inducement to men to enlist. Therefore, so far as we have been able to ascertain, there was no holding out of such an inducement. I should like to suggest to the hon. member with all respect that the nature of his own comment on this subject indicates how little seriousness there is in the opposition to the move we are now making when it is put in terms, even facetiously, that payment to individuals would be justified because in a sense it might equalize the possibility in the army of obtaining some loot. I hope the hon. member was not very serious about that. If I may say so, it indicates the level of the arguments put forward by those who have opposed this measure. I venture to say I have seen more of the officers and men of the Royal Canadian Navy during the last three years than most hon. members, and I have taken every possible opportunity to discuss with them what was their own desire with regard to this measure. I can assure hon. members that I have not as yet come face to face with an officer or man who felt that the right way to deal with this was a way which everyone in this house admits is out of date. The resolutions and letters that have been sent to us are very largely limited to one locality in Canada.

I do not believe for a moment that any principle whatever is involved in this. There has been no holding out, no inducement; the question is how this money, which is a windfall, may be best disposed of in the interests of the officers and men of the Royal Canadian Navy. In adopting this course we have not satisfied everyone, but we have proceeded as the great majority of the men who served at sea would like us to proceed; that is, for the benefit of those of their comrades who are less well off than some of the others.

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

[Mr. Cavers.]

Some hon. Members: On division.

Motion agreed to on division, and bill read the second time.

Mr. Claxton: If I have consent I move:

That Bill No. 221, an act to provide for the payment and distribution of prize money, be referred to the special committee appointed to consider Bill No. 133, an act respecting national defence, and that the committee be empowered to consider the said Bill No. 221.

Motion agreed to.

CUSTOMS TARIFF

Hon. Alphonse Fournier (for the Minister of Finance) moved the second reading of Bill No. 210, to amend the Customs Tariff.

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

On section 1—*Where duty does not exceed 15 per cent ad valorem.*

Mr. Sinclair: Perhaps I might say just a few words of explanation in the beginning. If hon. members will refer back to the ways and means resolutions, they will find that the ways and means resolution on the customs tariff is almost exactly identical with this bill. While a resolution usually sets out the general intent of the bill only, that is not possible in the customs tariff resolution, because there has to be specific reference to the items that are to be changed; and if you compare the ways and means resolution with the important sections of this bill you will find them exactly the same, with the exception of section 2. In the resolution there were three subclauses, which here have been consolidated into two; I shall deal with that when we come to the section.

In view of the fact that we had a very long discussion on each clause in the resolution stage, and the fact that this bill is identical with the resolution, I do not see that anything is to be gained by repeating what I said at that time. However, since this is the second of the tax bills, perhaps at this time I should answer the one question which was unanswered at the time we discussed the excise tax bill. The hon. member for Peterborough West and the hon. member for Prince Edward-Lennox asked at that time whether this prepared whipping cream which was being exempt from sales tax was just 30 per cent cream. I have made inquiries and find that it is cream of 30 per cent butterfat, so it is all cream. The hon. member for Danforth asked whether steps were being taken to ensure that this concession was extended only to real dairy products, and not to products which were either adulterated with vegetable oils or

composed entirely of vegetable oils. I have made inquiries and find that the pure food act covers that, so this sales tax exemption applies only to pure dairy products.

Mr. Macdonnell (Greenwood): I understand the change here is the insertion of the words "under the British preferential tariff" and so on, and that this is an outcome of the Geneva treaties.

Mr. Sinclair: That is true.

Mr. Macdonnell (Greenwood): Would the parliamentary assistant say a further word about that?

Mr. Sinclair: Before Geneva there was a special 10 per cent discount to the duty on imports from British countries where the duty was in excess of 15 per cent. It was argued at Geneva, however, that in those instances where the rate of duty on British goods and the most-favoured-nation rate of duty were the same this 10 per cent discount constituted a hidden advantage for the British, an advantage not contemplated under those agreements. That was threshed out, and it was agreed that this 10 per cent will not apply on items where the British tariff and the most-favoured-nation tariff are the same. In order that hon. members could see the effect of it I put on *Hansard* a list of those items on which the British tariff and the most-favoured-nation tariff are the same. That is at page 2176, and it shows that these items amount in all to about $3 million, in a total British import of over $500 million.

Mr. Fulton: I wonder if I might take this opportunity to ask the parliamentary assistant whether he can tell me anything concerning representations which have been made to the minister regarding the tariff on irrigation sprinkler heads. It has been represented that these articles are not readily available in Canada and that western producers particularly, who have to irrigate their orchards, are penalized by the very considerable tariff that is charged when these sprinkler heads are imported. I believe the Minister of Finance has been giving consideration to the matter over the past couple of weeks, and I wonder if the parliamentary assistant can tell us the present position.

Mr. Sinclair: The question was raised a year ago by the hon. member for Kamloops and, I think, the hon. member for Calgary East, with respect to the complete portable irrigation equipment. That situation has been adjusted; there is an ample supply available in Canada today. I am told, however, that there is a temporary shortage of the sprinkler heads. This has been brought to the attention of the department and they are trying now to see that a satisfactory supply is made available; or if that cannot be done an adjustment in regard to the tariff will be carefully considered. There is no adjustment in this tariff.

Mr. Fulton: Then do I understand that if an adequate supply of sprinkler heads cannot be made available domestically the department will consider an adjustment in the tariff for future years?

Mr. Sinclair: That is one of the items for discussion at Torquay this summer.

Mr. Thatcher: I am still not clear on section 1. Do I understand the parliamentary assistant to say that on these items he mentions, cotton goods and the like, the concession which the British formerly enjoyed is being taken away? Does that mean in effect that they are going to have to pay a tariff of 10 per cent more on those goods?

Mr. Sinclair: The problem stems back to the fact that over and above the British preferential tariff the British had been given another discount of 10 per cent on those tariffs which were in excess of 15 per cent. At Geneva we gave other countries the same tariff rate as the British on some items in return for concessions made to the United Kingdom. We were told that was not good enough. They said that they were supposed to be on the same rate as the British, and while the tariff schedule shows that they were, we were still giving a 10 per cent discount to the British. This is discrimination which we agreed not to impose under the Geneva trade agreement. Our country agreed and the British agreed that Canada should discontinue this discriminatory practice, and as a consequence in all those items on which the British preferential tariff and the most-favoured-nation tariff are the same, the discount is no longer allowed. The discount still applies on a great range of items on which the British have a tariff preference even over the most-favoured-nation.

Mr. Thatcher: In effect, this clause 1 takes away a 10 per cent preference, a tariff preference or a discount preference, whatever you want to call it, on these particular British goods. Is that correct?

Mr. Sinclair: A 10 per cent discount, not a duty.

Mr. Thatcher: In dollars and cents, whether you call it a discount or a tariff, it is the same.

Mr. Sinclair: A 10 per cent tariff is different from a 10 per cent discount on a tariff.

Mr. Macdonnell (Greenwood): The parliamentary assistant used the word "discount". Will he make it clear by giving an illustration, because there is a confusion in terms here.

Mr. Sinclair: I shall give an example. Take an item on which there is a twenty per cent tariff if the goods are of British origin, and twenty per cent under the most-favoured-nation treatment. Actually, if we had not had this arrangement in our tariff law both would pay twenty per cent, but because of this provision in our law we were giving a ten per cent discount on that twenty per cent tariff. In effect, therefore, as the goods were of British origin they would receive a ten per cent discount, yet in our tariff we would have both the British and most-favoured-nation rates of duty listed as twenty per cent. It was claimed that this was a hidden discount which we agreed at Geneva to eliminate as soon as the necessary legislation could be enacted.

Mr. Macdonnell (Greenwood): But if there was a one per cent difference, you would still be able to give the discount?

Mr. Sinclair: That is right. It applies to such a small range of goods, only about $3 million out of a total of $520 million.

Mr. Thatcher: But it all boils down to one thing, that it is an increase in the tariff against British goods; at least the net effect is that. In a few months we are going to Torquay to negotiate these agreements, and it seems to me that the government is not coming to parliament very often about these things. When the delegation is there perhaps they will whittle away any British preference we may have left. I think this is a matter for concern in this parliament, and I wish the minister would state this afternoon what the policy of the Canadian delegation is going to be so far as the British preferential tariffs are concerned. He must have some idea. I think we should have freer trade, but I think at the moment this British preference, in view of our trading position, should be approached with some care.

Mr. Sinclair: I think the member for Greenwood has grasped the point of this, but I shall explain it again. The difficulty which the British and we have, as well as many other nations, in trying to get goods into the United States is that the United States has a tariff schedule, and then they have so many other restrictions. Despite the fact that the tariff is open, there are these other difficulties in the way of getting goods into that country. This problem has been brought up again and again by both the British and Canadian exporters and manufacturers.

At Geneva a real attempt was made to do away with all these hidden concessions, discounts and so on which actually vitiate the effect of the published tariff. The only example we had of that was this very thing. We told the most favoured nations they were getting the same tariff on certain goods as the British. These countries had to make concessions to us to get it, only to find out that, while that appeared to be true in the tariff schedule, by this other agreement we were giving the British a ten per cent discount, actually a two per cent tariff reduction in cases where the rate was twenty per cent. These countries of course said, "You are no better than the United States so far as that is concerned; all of these things have to go." Our great hope, and that of all the countries, of getting into the American market as freely as we would like is the removal of these concessions from the British preferential tariff. We have taken our step towards doing that.

Getting rid of these hidden concessions, so far as we are concerned, actually affects $3 million worth of goods in a total importation of $520 million. I do not think that is too great a concession to be given by the British or by ourselves in order to achieve uniformity. If all the countries who signed the Geneva agreement can get away from these extra concessions and hidden discounts which actually destroy the open tariff picture, then uniformity will be achieved.

Mr. Coldwell: Mr. Chairman, it seems to me we are constantly doing this sort of thing without any assurance from the United States that we are getting similar treatment. Our government agreed to the Geneva agreement, and for a time I think it adversely affected our trade with Britain. We have never approved of that agreement in this house, but bit by bit we find ourselves giving more concessions, allegedly because of the methods adopted by the United States. I have not been able to find out that we have been able, to any great extent, to iron out these difficulties with the United States that have bothered Canadian exporters for a great many years.

For example, I was informed that the exporters of apples from the Annapolis valley into the United States had their apples stopped at the border. Although the boxes were marked "product of Canada" the wrappers in which the apples were wrapped were not marked "product of Canada", and because there is some regulation that each package must contain the name of the country of origin, there was great difficulty in getting those apples into the United States. Another example, which is better authentically from my point of view, concerns the manufacture of some bricks in the maritime provinces. A couple of carloads of bricks were ordered for a town in the state of Maine. The car was marked "product of Canada", but the customs authorities of the United States insisted that every brick should be marked "product of Canada". The young men told me that they

had to unload the carload of bricks and rubber stamp each brick, "product of Canada."

Now, it seems to me—

Mr. Graydon: That is the brick for brick tariff wall.

Mr. Coldwell: There is no question about that. It seems to me that if we are going to make concessions, if it is only two per cent or a fraction of one per cent against the customer who has in past years been our best customer, we should pause before we agree to a provision of this sort. Because of the Geneva agreement and the non-discriminatory features of this agreement, we have made some quite valuable concessions to the United States, and have placed some considerable barriers against our trade with the United Kingdom. While I think we must do whatever we can to improve our trade relationship with the United States as well as with Britain, I do not think these arrangements should be one-sided, and they should make a greater effort than they have been making to remove these rigid regulations which they used from time to time to prevent the importation into their country of goods from Canada and from other countries. I believe that is the important point.

Mr. Sinclair: I am glad the hon. member has raised this matter. In the resolution stage I said that although we have not introduced formal legislation so far as the Geneva trade agreement is concerned, we have given statutory effect to about 465 out of almost 1,000 items considered at either Geneva or Annecy. One of the few advantages I can think of, in so far as these continuing conferences are concerned, is that at Geneva certain agreements were reached. We came back to the various countries at the next conference and were able to show that we had done a great deal towards implementing that agreement. It is for that reason I want to see this bill passed. Then none of the signatories to these agreements will be in a better position than Canada. We shall be able to say, "We have done this; what have you done?" The other countries which have not made measurable advances in carrying out the spirit of Geneva are not going to be able to ask for further concessions.

When this bill is in effect, we can say we have gone still further in carrying out the provisions we agreed to at Geneva. I am very glad the hon. member raised the question of the marking of products because it is another example of a technique which has been used, quite aside from the provisions in the tariff to block the entry of goods from Canada into the United States. We are doing our part in this connection and I am told there is legislation before congress now. The Americans apparently are also anxious to have their house in order before they take the next step. In section 3, when I come to it—I mentioned it in the resolution stage—we had an extra penalty. If the goods were not marked in accordance with our regulations we had, as well as a penalty, an extra 10 per cent ad valorem duty which we imposed. It was agreed that that sort of thing was actually in restraint of trade and the signatory countries should do away with this extra penalty. To hold goods and mark them at public expense was all right; but then to put on a penalty duty as well was not right. Here we are taking our action to correct the situation which the hon. member aptly described with regard to Annapolis valley apples and with regard to bricks.

Mr. Fulton: The answers given by the parliamentary assistant make the government's position clear; but I wonder if he can just give us some facts which will complete the picture. As I understood him, he said that we shall be in a position to say to these other nations, "We have gone very far to fulfil our part of the obligation." In fact, as I understand him, he said we had gone further than other nations had gone, so we shall be in a good bargaining position at Torquay. That may be a sound position to get into from the point of view of bargaining, but I do not think it is a sound position to get into unless we be sure that the other nations are going to agree. When we point out to them that we have gone this far and they have not, if we are not sure of that and if we go on taking the lead, we are definitely harming our trading prospects and particularly we are hurting the country which in the past has been our best customer. I should like to know, though not in any detail, how far the United States has gone. I suggest that the parliamentary assistant tell us generally whether in fact these tactics of ours have succeeded in bringing the United States as far along the road as we would like to see them go.

Mr. Sinclair: I am informed that, of the 23 countries that signed at Geneva and the 9 more that came in at Annecy, satisfactory action has been taken by all the countries of which we have record. It is difficult to check accurately, especially since there has not been much time since Annecy and most of these governments have had only one sitting of their parliaments; but at Torquay we shall know how far they have gone. If we have gone farther than any of them, then we will be in a position to mark time. But I am informed that we ourselves and Britain, the people who are of course most interested in export trade, are the countries that have done

the most in trying to live up to the things that we said we would do at both Geneva and Annecy.

As to the question of the hon. member for Rosetown-Biggar, I should like to make one little point about his suggestion that we have hurt Britain's trade. As you will recall, last month for the first time—

Mr. Coldwell: Oh, yes, I know.

Mr. Sinclair: Just as an indication that we are moving in the right direction, for the first time last month we have a British balance of about $2,500,000.

Mr. Coldwell: I think I qualified it by saying that when it came into effect we hurt Britain.

Mr. Thatcher: I am still not satisfied with the explanation given by the parliamentary assistant. As I understood it, in effect he says this clause introduces another step which the government is taking to remove trade barriers. Yet in the next breath he says that the effect will be to increase the tariff against these British goods to the extent of about 2 per cent. I do not see how, time and again when these restrictions are coming off, it always means an increase in the Canadian tariff against British goods. I do not see how that is easing trade restrictions. I should like the minister or the parliamentary assistant to tell me this. When we made this concession, if that is what it was, to certain countries, was there any specific condition that we get any return for it?

Mr. Sinclair: The general problem was to make the printed tariff schedule the actual tariff schedule. As long as countries said, for example, as we said about the British and most-favoured-nation rates on certain items, that the tariff rates are the same, and then with regard to the British, we gave the British a discount, we were in effect not telling the truth in our tariff schedule. We were not alone in doing that. I think perhaps it is not the right thing for me to say here, but the general feeling at least in this country is that the Americans are perhaps the worst offenders in having other hidden blocks than tariffs. The whole object of Geneva was to tear away all these other hidden blocks and devices used in restraint of free trade across international boundaries. The only one which we had at that date, except in the marking provision, which I will mention, in section 3, was this special discount which we gave where the British preferential and most-favoured-nation rates were the same. We still give the British a special discount on all their other tariff rates above 15 per cent. But in this case where we have ostensibly in our tariff schedule said that the British rate and the most-favoured-nation rate are the same, we are in reality afterwards giving the British this discount of 10 per cent of the duty paid. I cannot explain it any more clearly than that. If the other hon. members understand it, perhaps we can go on to the next item.

Mr. Thatcher: We have no alternative but to accept that explanation, but we still do not have to like it. This thing in effect means an increase in the tariff on these British goods.

Mr. Quelch: There is one question I should like to ask the parliamentary assistant. In view of the fact that the United States is the nation today that needs to expand its imports more than any other nation, in consequence of which we are having a great deal of trouble with regard to the scarcity of dollars in the world today, can the parliamentary assistant give us a general idea how far the United States has gone since the Geneva meeting in reducing these tariffs? I am not asking for an itemized report, but for a general idea how far they have actually gone to date. There has been a great deal of talk about reducing tariffs in the United States, but apparently the United States tariff wall is still a fairly high one.

Mr. Sinclair: I am certainly not in a position, in discussing our own Canadian tariff bill, to give you an explanation of what the Americans have done. In our department we have our economic policy counsellors who are willing to provide that information because they make a point of following the results in other countries so that they will be in a position at these various trade conferences at Geneva and Annecy, and now at Torquay, to stack up what we have done against what other countries have done. But there has been a marked improvement, not so much through changes in tariff. This is an example not of a change in the effective tariff rate but of the removal of a hidden discount which was an unfairness and which did give rise to complaint by countries which we were saying were getting the same tariff treatment as the British rate when actually in effect they were not. I myself feel that the best way that we can do our part in any of these international conventions and conferences to clear away these things which are affecting us much more than they are affecting our customers is to put our own house in order, as we are trying to do under this amendment and a little later under the amendment on the marking of goods.

Mr. Johnston: Can the minister tell us what items are being affected by this reduction or this increase?

Mr. Sinclair: I put the entire list on *Hansard* at page 2176, at the request of the

hon. member for York West, so that hon. members would have a chance to study it. The entire list is there. This is the list of goods in which the British have the same rate as the most-favoured-nation rate. Of course in the great majority of cases the British rate is substantially lower than the most-favoured-nation rate. But in these particular items through various trade negotiations between ourselves and Britain, and between ourselves and other countries—because, after all, Britain is not our only market—we have established this list of goods on which the British rate and the most-favoured-nation rate is the same. The total value, when you add them all up, is about $3 million. The total value of the imports from the British countries last year was around $520 million. That does not mean to say that, because we are now abolishing this special discount in this $3 million range, that entire market is actually going to go over to the Americans. Actually, I doubt whether there will be any loss in it. This list still will be sold in Canada. But at least we have done our part in removing one of these hidden discounts which has acted so much in restraint of trade in the past.

Mr. Coldwell: This question was raised at Annecy, was it?

Mr. Sinclair: Yes, but at Geneva, not Annecy.

Mr. Coldwell: Who raised the question of this discount?

Mr. Sinclair: I am informed that the United States themselves were the ones who raised it at Geneva.

Mr. Coldwell: As we look at this list it appears to be relatively small, $3 million. When you look through the list you find that is one in which the United States is primarily interested. It contains such things as milk foods, prepared cereal foods. I do not know about kippered herring.

Mr. Sinclair: Milk, for example, $166.

Mr. Coldwell: If you look at the goods manufactured and come down to cotton clothing you find: shirts, not knitted; cotton clothing, women's and children's dresses; men's smocks and overalls; tray cloths, table cloths; quilts and counterpanes; sheets; towels; wash cloths and bath mats, pillow cases, typewriter ribbons. These are products in which the United States are particularly interested. By this they can now come into our market and compete a little more favourably with the British manufacturers or the commonwealth manufacturers.

Mr. Fraser: Mr. Chairman, the United States have submitted a list of 2,500 items on which they are reducing duties. Has the parliamentary assistant that list?

Mr. Sinclair: No.

Mr. Fraser: That would help us to some extent, would it? Is the duty entirely removed or only partially removed?

Mr. Sinclair: The list is available if the hon. member wants it.

Mr. Fraser: I would like to see it.

Mr. Fulton: Before the clause carries I think the parliamentary assistant might answer the direct question. He has said that we have taken the lead in matters of this kind in eliminating what he called hidden discriminations in the hope that the country which is the key one in world trade today, namely, the United States, would do the same and permit those countries so concerned with export to export to her freely. I think the parliamentary assistant should answer the direct question: Are our officials satisfied—since we have taken the lead, and since we have made what I understand amounts to quite substantial concessions at Geneva and Annecy—with the response to those gestures so far made by the United States in a reciprocal manner?

Mr. Sinclair: I am informed that they are very pleased, and that is one of the reasons for this conference, namely, to check on the detail of what actually has been done. But I am informed that the economic policy advisers in our department, the Department of Finance, are very pleased with the action taken so far.

Mr. Graydon: Are they easily satisfied?

Mr. Sinclair: The Department of Finance is never very easily satisfied. The hon. member knows that.

Mr. Graydon: The country is not always satisfied with them.

Mr. Johnston: Will the action taken here not increase the cost of goods in Canada by the amount of the tariff? That means another increase in the cost of living. If our cost of living index keeps going up you will need a ladder to get to the top of it.

Mr. Sinclair: I point out to the hon. member that if he looks over this list he will find that almost every item is produced in great quantities today in Canada. The British and the United States manufacturers must meet the Canadian prices. That is especially true of the textile group. The great bulk of textiles used in Canada today is made in Canada. If this were the sole market for these

goods, if this were the only source of these goods, then there would perhaps be a noticeable increase—I doubt whether it would be noticeable: an increase of 10 per cent discount on the tariff might not be noticeable in the case of small goods. But here the governing factor is the cost of the Canadian goods which are the great majority of the products here.

Mr. Coldwell: Would it not constitute a slight increase in tariff protection for the Canadian manufacturer of these goods?

Mr. Sinclair: It could in these cases where the British are the competitors. In these cases where the most favoured nation is the competitor there is no change in the position.

Mr. Johnston: What chance is there of getting a lowering of prices of the goods which go into every home, if we are going to keep raising the tariff? Certainly there is no incentive here to bring down prices. We stop the British from bringing in cheaper goods and we permit the United States people to increase their prices by an increased tariff, which seems to me to indicate that we are just pushing the prices up instead of trying to get them down.

Mr. Sinclair: The primary purpose of the whole pattern here is of course a provision to get rid of these hidden concessions. If you are thinking in terms of the British goods which have a monopoly today, and none of these appear on this list, then the effect of this discount would be to increase the cost of such goods by the amount of 10 per cent discount on the duty. If, however, as is the actual case in the great bulk of these goods, the Canadian production is the governing factor, then the British will have to shave their prices to meet the Canadian prices.

Mr. Macdonnell (Greenwood): I want a little further enlightenment on this. I take it that the situation is this. One of the nations we are negotiating with brings down its tariff to the point where it is on the same level as the British—I think the parliamentary assistant said that in most cases the British have been lower.

Mr. Sinclair: Yes.

Mr. Macdonnell (Greenwood): I assume that to be a good thing from our point of view. Could we get some indications as to just what improved trade we have had with those countries which have done that? I am excluding the United States. As a matter of fact, I think the parliamentary assistant could have made a stronger statement as to what had happened in the United States after the Geneva treaty of two or three years ago. My understanding is that in cattle alone the reduction was very beneficial to us, but it is not for me to state the government's case. However, I do come back to this point. I am very anxious to be satisfied that this is desirable. Could we have instances showing where we are deriving definite benefit in respect of lowered tariffs by other countries?

Mr. Sinclair: Perhaps I have misinformed the committee concerning the purpose. The purpose was not to encourage other countries to drop their tariff rates. It would be easy to drop the most-favoured-nation down to the British level. It was just applying our present tariff schedule on the goods where the British rate and the most-favoured-nation rate were the same, removing the hidden discounts.

Mr. Macdonnell (Greenwood): It would cut both ways.

Mr. Sinclair: Well, if we could agree, in return for some trade concession from some other country reducing their tariff on an item down to the British level, then of course it would cut both ways.

Mr. Macdonnell (Greenwood): May I ask the parliamentary assistant whether that is not actually happening in certain cases? Is that not a feature of it?

Mr. Sinclair: I am informed it has been very seldom done in recent years, lowering the most-favoured-nation rate down to the British rate. I do not think this will serve as any impetus to do that. All this amendment does is that in those cases today where the British rate and the most-favoured-nation rate are the same we can no longer give this extra discount on the British tariff.

Section agreed to.

On section 2—*Application of ad valorem rate in tariff item.*

Mr. Macdonnell (Greenwood): The section which this one replaces is a section apparently dealing with something entirely different. Will the parliamentary assistant explain the reference to the limitation to certain ports of entry?

Mr. Sinclair: This is the section which, as I said, does differ in detail from the budget resolutions. The rest of the bill is identical with the budget. We had three clauses in the budget resolutions, which we have consolidated into two here. This section relates to the tariff provision regarding fresh fruits and vegetables and the season of the year in which a country like ours does not produce. On fresh fruits and vegetables we have certain ad valorem tariffs on their

entry from Florida and California for example. Then comes the first period of the year when our hothouses begin the production of Canadian vegetables, and fruits too for that matter.

Then we give our agriculture a further protection now that we can produce it. In the old days there were provisions for ad valorem duties. At Geneva it was agreed to replace those ad valorem duties by specific rates of duty during certain periods of the year, and those periods are detailed in the schedule. We agreed at Geneva on the various periods.

Then the second time comes when our own full production comes in. Under the Geneva agreements there is authority to impose an additional specific duty during the period when the Canadian field production of these vegetables and fruits is available.

The reference to the ports of entry is a new one. Previously these added duties were applied nationally and now the minister is given the right to apply them regionally. Obviously the Fraser valley would require protection against the importation of strawberries, tomatoes, carrots, beets and so on from California at a different time than Ontario would need protection. Under the section mentioned by the hon. member for Greenwood where reference is made to ports of entry the minister is given authority to specify the various regions where the increased duty to protect Canadian produce will be imposed.

Mr. Macdonnell (Greenwood): Is this a new power?

Mr. Sinclair: It is a new power to specify regions.

Mr. Macdonnell (Greenwood): Is that covered by any of the sections?

Mr. Sinclair: The first section of the budget resolution gave the power to impose specific duties in the case of some vegetables only once. I suppose potatoes would be an example of that since there are no hothouse potatoes to my knowledge. The second clause provides for a split period. Then in the third clause authority is given to the minister to withdraw that national application from certain regions. That was a negative way of doing what we are now doing positively. Instead of applying it nationally and then withdrawing it, what we are doing in the bill is to give him the power to apply these specific duties to protect the Canadian farmer during his production period on a split period basis.

Mr. Macdonnell (Greenwood): Will the parliamentary assistant read the resolution?

Mr. Sinclair: It will be found on page 2175 of *Hansard,* or in the ways and means resolutions if the hon. member has those.

Mr. Adamson: I should like to say one or two things on this section. I hope the device of naming the ports of entry will have the desired effect. The problem which faces the vegetable and market gardeners in my county, in the county of Peel and in other adjacent counties is that the Canadian crop is a late-maturing crop which comes onto the market weeks or even months later than the United States crop. Our growers have no objection to United States produce being imported before Canadian produce is on the market, but what actually happens in many cases is that just as the Canadian crop is coming onto the market a surplus has been built up in the United States which it is difficult to market or which because of its age commands a lower price, and that surplus is to all intents and purposes dumped on the Canadian market.

As the parliamentary assistant knows, it is during the first few days or weeks of a crop that you get your maximum price. When the Canadian crop is ready for marketing we find that the warehouses and even the refrigerator cars are filled with the undigested—I am speaking marketwise—United States surplus. Until that surplus is off the market the Canadian crop, which should command a premium price because of its freshness, actually commands a depressed price. In many cases I have seen fresh Canadian produce taken off the market when no purchaser could be found and dumped or destroyed.

My first suggestion is that the date of the imposition of the Canadian tariff against United States fruits and vegetables should be put forward sufficiently in the growing season to permit the surplus being used up before the Canadian vegetables and fruits come onto the market.

At the end of the season Canadian produce is available when the United States growing season is over. In the northern United States the growing season on certain types of vegetables is comparatively short. When vegetables from the Leamington area or other areas along the north shore of lake Erie are available the United States tariff is still imposed against them. At the end of our growing season we would normally expect to find a market in the United States but we find our products are still shut out. The result is that at the end of our season we have a great surplus of vegetables which in many cases have to be destroyed.

When the parliamentary assistant goes to Torquay I hope he will bring this matter to

the attention of the United States authorities so that our growers may have the market they are entitled to when their fresh produce ripens and is ready for sale. It is a most important thing because there is nothing more hazardous than the growing of vegetables or fruits. You have to depend on the weather and expenses are very great in growing and cultivating these intense crops. Unless you can get the cream of the market in the first couple of weeks in which your crop is marketable, you are likely to suffer a great loss on the year's operations. I want to bring that to the attention of the minister so that when these matters are discussed the point of view of the Canadian growers will be adequately safeguarded.

Mr. Graydon: I think the hon. member for York West should receive high marks for his clear and forceful enunciation of the position of the growers in his riding and others such as my own which are similarly affected. I should like to make one or two minor additions to what he said. Perhaps the parliamentary assistant may not know this. Not only is the question of timing important, but in the past the regulations have been so loosely applied in certain instances that when dumping duties have been imposed on fruit and vegetable importations from the United States their transportation has also constituted a problem. When dumping duties are put into force here somehow or other they do not always apply to the many carloads of vegetables which are then in transit. In other words, so long as the freight cars are moving from some place in the southern United States they can still move on and come in under the wire, if I may use that term, placed there by the regulations so far as timing is concerned.

For a long time the government has needed no extra powers; rather, it has failed to use at the proper time the powers it has. One point that should be particularly impressed upon the government it that they had better stick close to the recommendations of the organized growers. They know when these dumping duties ought to be applied. In some instances I am afraid it has been a matter of compromise. The growers have made certain recommendations, those in the trade have made other recommendations from their point of view, and too often the government has come in between the two and made compromises which, as has been pointed out by the hon. member for York West, have made it impossible for the growers to market at the most important and vital period of the marketing season.

[Mr. Adamson.]

Therefore I want to add my words to those so forcefully uttered by my colleague and neighbour, the hon. member for York West, who understands the problem just as we all do in that section of Ontario. After all, our fruit and vegetable growers, our gardeners and orchard men in that part of the province are engaged in a most important national business which, because the commodities they grow are perishable, requires special treatment. In the light of the representations that have been made both in and out of the house I hope that the government will see to it that in the imposition of dumping duties growers get a better and squarer deal than they have had on many occasions in the past.

Mr. Hatfield: I should like to point out to the parliamentary assistant that hundreds of cars of United States new potatoes are coming into Canada every week. They are being sold at $7 to $8 a hundred at a time when there is a surplus of good old potatoes in the maritime provinces and eastern Canada generally. Does this section allow the ad valorem duty to be placed on vegetables or any other commodity at any time?

Mr. Sinclair: It is fresh fruits and vegetables and they are all listed in the schedules starting at page 9. The fruits and vegetables are listed, the tariff rates are listed, and the periods in which the extra specific duty can be levied to protect Canadian producers are listed.

Mr. Hatfield: Potatoes have a duty from the 15th June to the 31st July of 37½ cents. I should like to point out that potatoes are coming into Canada free of duty today. When we ship potatoes to the United States the duty is 75 cents a hundred. Why should we not have an ad valorem duty on potatoes at all times?

Mr. Sinclair: As the hon. member has said, during most of the year potatoes are imported free, and for the remaining period there is a tariff of 37½ cents. The United States imposes a tariff the year round. It is one of those things which can be discussed at Torquay. I suppose if they will not lower their tariff we could follow the old method of retaliation and raise our tariff.

Mr. Hatfield: You are not asking them to lower theirs. Why should we not have an ad valorem tariff against their potatoes? Why should we have to pay 75 cents on our potatoes entering the United States when their potatoes can come in here free except for a month and a half? Why should we not have the same duty as they have the year round?

Mr. Sinclair: The change in tariff from an ad valorem to a specific duty on most vegetables has met with the approval of the growers across Canada. The problem of timing is a most important one. The hon. member for York West raised it. The matter of timing as to the period, if it is a split period, a hothouse period and a field period, or if it is only a field period, cannot be spelled out in the statutes because it depends entirely on the weather. I am informed that the growers and the Department of Agriculture work very closely together. There are other people who have to be considered, however, and I refer to consumers. It obviously would be very much in the interest of the growers to have a higher specific tariff imposed at a very early period, at a time perhaps when they could not supply Canadian demand. There is that factor, and it is probably responsible for the compromise which the hon. member mentioned.

As for the application of the dumping duty, this legislation in no way changes the authority of the government to apply such duties on these fruits and vegetables if it is established that the produce is being dumped in Canada. This is a tariff arrangement for the ordinary everyday trade where there is an ad valorem duty for the period outside the designated weeks and then a specific duty spelled out in the schedule for the restricted period. Before this amendment we had a split period authorized for only cabbage, carrots and beets. That is now extended to cover green beans, cabbage, carrots, beets, cauliflower, celery and lettuce.

Mr. Coldwell: I am glad the parliamentary assistant spoke of the interest of the consumer. This indicates very clearly what a difficult country Canada is for which to provide arrangements of this sort, and I think it is a good thing that this can apply to various ports across the country, which of course minimizes the difficulty for many consumers. Those of us who come from the prairie provinces, for example, where we have not these early supplies of vegetables and fruits, cannot get supplies from any source except Utah, Texas and other places south of the line, and we would be penalized if this were applied generally. I just rose to say that in listening to the moderate and well-stated representations of hon. gentlemen who come from districts where these things can be obtained, the interests of the people of the prairie provinces, who might be adversely affected if this were applied too generally across the country, should not be forgotten. I just wanted to remind the parliamentary assistant—from what he said I thought probably he might have had it in mind, but I felt it should be put on the record—that the interests of people in other parts of Canada have to be considered when this matter is being dealt with.

Mr. Hatfield: The parliamentary assistant has not answered my question as to why we have to pay a duty of 75 cents per hundred pounds on potatoes going into the United States while their potatoes come in here free of duty. Why should that be?

Mr. Sinclair: There are many of these tariff problems between nations, where the tariff is not the same going both ways. I am told that we have permitted free entry of potatoes into Canada for many years, except for the production period.

Mr. Hatfield: We used to have an ad valorem duty, in which I believe. We should have the same duty they have on all goods.

Mr. Macdonnell (Greenwood): I want to refer to the question of ports of entry. There is a difference, which may not be important, between the wording of the resolution and the wording of the bill. The resolution speaks of goods imported through ports in a specified region or part of Canada, and so on; the reference is to a region. In the section itself the wording is different. It says:

> Provided that where, before the coming into operation of such an order, a person purchased goods for importation through a port specified in the order—

Can we have a word as to what these regions are, or what the ports are? The hon. member for Rosetown-Biggar has pointed out how important that is.

Mr. Sinclair: As far as the administration of this act is concerned, of course that is done at the border through these border ports; that is why the word "ports" is used to spell out the regions. Those regions are generally the maritimes, Quebec and Ontario, the prairies and British Columbia; and the ports in those areas are the ports in the regions. The actual instruction in the end will have to apply to ports, because the customs and excise officials at those ports are the people who actually have to enforce the law.

Mr. Macdonnell (Greenwood): Then does it really mean that there are just four groups of ports, in other words that the minister just deals with the maritimes, Quebec and Ontario, the prairies and British Columbia? I take it that under this he has authority to fix different times at different places, or to leave one out altogether?

Mr. Sinclair: That is quite right. He has that authority, but he exercises that as a

taxation authority only in consultation with the Department of Agriculture and the growers' organizations, as to at what time or in what regions these permissive periods shall extend. They are also in the schedule, and range from six or seven weeks to twenty-six weeks. The minister decides when they shall be applied, whether they shall be split, to what regions they shall apply, or whether they shall apply at all.

Mr. Macdonnell (Greenwood): Then what is the significance of the phrase at the end of the section:

—the number of weeks in the two periods shall not exceed the number specified in that sub-item.

In other words, once he makes a decision are his hands tied? From what has been said by the hon. member for York West it would seem there should be a great deal of flexibility.

Mr. Sinclair: There is that flexibility. For example, the longest period is twenty-six weeks. That can be divided into four weeks for the hothouse period and twenty-two weeks for the field period, but the total of the two must not exceed the period specified in the schedule.

Mr. Macdonnell (Greenwood): Is that by reason of international agreement?

Mr. Sinclair: That is by reason of the Geneva agreement.

Mr. Adamson: Do the Americans grant us that same countervailing clause? Have they a flexible tariff, too?

Mr. Sinclair: The Americans have no periods, I am told, because their nation is in production the year round. They are turning to the same type of specific duties that we now have, in place of the ad valorem duties. If it is of any interest I can put on *Hansard* a table showing United States rates of duty. It is not very long.

Mr. Adamson: I think that would be helpful, because I have had many complaints that our produce has to hurdle a very considerable tariff barrier going into the United States, whereas we try to be flexible and protect both the producer and the consumer.

Mr. Sinclair: This table will serve two purposes. It will show what substantial reductions the Americans have made in the last two years as well. With the consent of the committee I would ask that this table of United States tariffs on similar fruits and vegetables might appear in the record.

The Chairman: Has the hon. gentleman leave of the committee to have this table appear in *Hansard*?

Some hon. Members: Agreed.

[Mr. Sinclair.]

Mr. Sinclair: The table is as follows:

United States Tariff

Goods	United States rate prior to January 1, 1948	United States rate since January 1, 1948
Onions, n.o.p.	2½ cts. per lb.	1¾ cts. per lb.
Mushrooms	25 p.c. plus 8 cts. per lb.	25 p.c. plus 5 cts. per lb.
Asparagus	50 p.c.	25 p.c.
Green beans	2 cts. per lb.	2 cts. per lb.
Beets	10 p.c.	10 p.c.
Brussels sprouts	50 p.c.	25 p.c.
Watercress	50 p.c.	25 p.c.
Eggplant	1½ cts. per lb.	1½ cts. per lb.
Cabbage	1½ cts. per lb.	¾ ct. per lb.
Carrots	25 p.c.	12½ p.c.
Cauliflower	25 p.c.	12½ p.c.
		June 5, to Aug. 5. 25 p.c.
		Aug. 6, to June 4. ½ ct. per lb.
Celery	1 ct. per lb.	
	2 cts. per lb.	April 15 to July 31. 1 ct. per lb.
		Aug. 1, to April 14. ½ct. per lb.
Cucumber	3 cts. per lb.	
		July 1, to Aug. 31. 3 cts. per lb.
		Sept. 1, to June 30. 1 ct. per lb.
Lettuce	2 cts. per lb.	
		June 1, to Oct. 31, 2 cts. per lb.
		Nov. 1, to May 31. 1 ct. per lb.
Green peas	2 cts. per lb.	
		July 1, to Sept. 30. 2 cts. per lb.
		Oct. 1, to June 30. 12½ p.c.
Radishes	25 p.c.	
		July 1, to Aug. 31. 25 p.c.
		Sept. 1, to June 30. 25 p.c.
Rhubarb	50 p.c.	
Spinach	3 cts. per lb.	1½ cts. per lb.
Tomatoes	1½ cts. per lb.	1½ cts. per lb.
Turnips	12½ cts. per 100 lbs.	6¼ cts. per 100 lbs.
Vegetables, n.o.p.	50 p.c.	25 p.c.
Apples	15 cts. per bushel	12½ cts. per bushel
Apricots	½ ct. per lb.	½ ct. per lb.
Blueberries, fresh	1 ct. per lb.	1 ct. per lb.
Blueberries, frozen	17½ p.c.	10 p.c.
Cantaloups	35 p.c.	25 p.c.
		Aug. 1, to Sept. 15. 35 p.c.
		Sept. 16, to July 31. ½ ct. per lb.
Cherries	1 ct. per lb.	
Cranberries	¾ ct. per lb.	¾ ct. per lb.
Peaches	½ ct. per lb.	½ ct. per lb.
		June 1, to Nov. 30. ¼ ct. per lb.
		Dec. 1, to May 31. ½ ct. per lb.
Pears	½ ct. per lb.	
Plums	½ ct. per lb.	½ ct. per lb.
Prunes	½ ct. per lb.	½ ct. per lb.
Raspberries	¾ ct. per lb.	½ ct. per lb.
		July 1, to Aug. 31. ¾ ct. per lb.
		Sept. 1, to June 30. ½ ct. per lb.
Strawberries	¾ ct. per lb.	
		June 15, to Sept. 15. ¾ cts. per lb.
		Sept. 16, to June 14
Fruits, n.o.p.	35 p.c.	17½ p.c.

Mr. Stanfield: Could the parliamentary assistant tell us the total value of fruits and vegetables imported into Canada from the United States last year, and the total value of our exports to the United States?

Mr. Sinclair: I can give the figures for imports, but I cannot give the exports. Those come under trade and commerce and my officials do not have the figures, but they can be obtained. I can give that information under this or the next section.

Mr. Stanfield: I can get the information later.

Mr. Drew: I wonder if we could have a positive assurance that the measure of protection suggested by the hon. member for Victoria-Carleton will be given.

Mr. Sinclair: I am not in a position to give an assurance as far as potatoes are concerned. Hon. members will realize that the question of potatoes is a very difficult matter in the United States today because of their potato policy. All I can do is to say I will draw to the attention of the minister and government the expression of opinion that the Canadian duty should be the same as that in the United States.

Mr. Coldwell: In that connection, did we not grant the request of the United States last year to restrict our exports to that country; or what happened?

Mr. Sinclair: In reply to the hon. member for Rosetown-Biggar, I may say that is a matter of export trade and does not come within this item, but I am informed we had an agreement with the United States that if their potato production fell below 335 million bushels, then we would export potatoes under the tariff item at 37½ cents. Quite shortly it was obvious to us that their production would never fall below that. It is over 400 million bushels now, so we have rescinded that agreement, and do export potatoes when we can, where we can, into the United States.

Mr. Coldwell: Potatoes have difficulty getting into the United States because of the tariff?

Mr. Sinclair: Yes.

Mr. Coldwell: What is the tariff?

Mr. Sinclair: It is 75 cents a hundred pounds on ordinary potatoes and 37½ cents on seed potatoes.

Mr. Coldwell: Seventy-five cents on edible potatoes is almost a prohibitive tariff.

Mr. Stanfield: Does not the United States grant us a quota on potatoes under which so many can go in free?

Mr. Sinclair: We are getting a little out of the field on which we have the data here. Most of this is an export matter under the Department of Trade and Commerce. So far as vegetables are concerned, it is going to be a matter of adding the vegetable imports for the various categories of vegetables, and it may take a little time.

Mr. Stanfield: I do not want that figure now, but does not the United States give us an export quota for potatoes in return for the fact that we take fruits and vegetables from the United States?

Mr. Sinclair: I will have to make an inquiry of the Department of Trade and Commerce and give that information to the hon. member.

Mr. Coldwell: Is this not one of the things that should be straightened out? We are giving concessions all the time to the United States. Today in the maritime provinces potatoes are selling for about 40 cents a bushel, owing to the fact they cannot find an export market. The maritimes have grown potatoes, to some degree at least, for export to the United States. It seems to me that the tariff mentioned by the parliamentary assistant is, in effect, a prohibitive tariff. It is something, I think, that should be pressed upon the United States when the time comes, because a large percentage of our population in Prince Edward Island and New Brunswick depend upon the potato crop and the export of potatoes.

Mr. Sinclair: I quite agree with what the hon. member says. On the other hand any congressman could make exactly the same argument as has been made by the member for York West on behalf of the potato growers of his area. If we remember that potatoes have been given away in the United States, and that farmers have been paid to allow potatoes to rot in their fields, it is not the easiest background in which to ask for a concession for our potatoes.

Mr. Coldwell: I am thinking of the time when the United States raises this question of discount on the British tariff. They are constantly pressing us for concessions. In the Geneva agreement we did agree to a considerable number of concessions under the non-discrimination clauses, which I think at the outset, whatever the situation may be now, did injure our trade relationship with Britain. It seems to me that if we are going to have the kind of arrangement that is visualized by this bill and by other bills that have been introduced, it should be reciprocal and not one-sided; that is the point I am making.

Mr. Adamson: I should like to correct something the parliamentary assistant said. I do not believe a congressman in the United States could make the same sort of argument as I have made, because there is a difference in climatic conditions. If perishable foodstuffs go to waste in the United States it is not because of a glut of imports from Canada, it is due to a lack of markets; it is entirely an internal condition. On the other hand if, as happens year after year, at the beginning of the marketing season, our goods go to waste it is because of the glut of American goods that has come in and filled up the pipe line of storage and freight cars.

As a matter of fact, several growers have complained to me that a hundred or so freight cars are waiting on the Toronto market. With this surplus United States produce overhanging the market just as the Canadian grower is trying to market fresh vegetables, a difficult problem presents itself. It is not one of protecting the consumers, because the consumer is protected. It is the problem of preventing this surplus United States produce from overhanging our market just at a time when our crop is coming on the market to be sold.

Mr. Sinclair: I want to apologize to the hon. gentleman. I inferred that, were he going to speak on the same problem, the American congressman who had potato growers as his constituents could speak on their behalf just as the hon. member spoke on behalf of the growers in his district. The congressman could point to the fact that the United States would be giving a tariff concession on potatoes when they had these millions of bushels that were given away in the United States.

Mr. Blackmore: I believe the parliamentary assistant has struck a note which should be expanded just a little. It is well for us to bear in mind that the United States is able to produce a large percentage of her requirements. The result is that hardly any export from Canada seeking admission to the United States will fail to find plenty of people in the United States with the same commodity to sell. Unless Canada watches her moves with care, then we are going to get the worst of the deal with the United States on every commodity every year.

I should like to support the member for York West in the most unequivocal terms. I should like to see the principle applied most rigidly all across Canada. At the same time, I should like to support the idea advanced by the member for Rosetown-Biggar. I do not see any reason why the consumer in Canada should be penalized for the privilege of using Canadian goods. In a general way, I think we in Canada can produce goods just about as cheaply as the United States, in so far as garden products are concerned. There will be exceptions, of course, but I do not think the Canadian consumer should be penalized. I know I would like to see our government officials have that in mind.

While I am on my feet, I think I should say a word about the reduction of imperial preferences which have been going on under steady pressure from the United States for about a quarter of a century. I believe the Canadian people are weak-kneed and ill-advised and lacking in vision when they yield to this pressure. By and large we are never going to compete successfully with the United States in the bargaining concerning our products, because of the tremendous productive potential of the United States, plus their vast home market which would be such an advantage in helping her to produce and sell.

On the other hand we are going to be able to co-operate with the other members of the British commonwealth in establishing a commonwealth economy which will have some chance of being able to look the United States in the face on equal terms if we help to develop that commonwealth economy by wisely devised and wisely applied imperial preferences. I wish to raise my voice definitely against any further reduction of imperial preferences. Just as soon as we can manage it I would say we ought to begin to increase those imperial preferences in order to encourage the development of a great empire or commonwealth economy which will have some chance of successfully competing in a world in which such giants as the United States and Russia are playing around.

Mr. Clark: I am sorry I was not in the chamber earlier, but I was with a group of other farmers. I should like to mention a few things that I believe have been mentioned this afternoon. One is the method of protecting the vegetable growers. The method that is at present used is not perhaps 100 per cent efficient. The method that was used in wartime and which was recommended, I believe, by the tariff board many years ago, was a permit system which allowed the United States products in when we were short, but it embargoed them when we had a quantity sufficient to supply the market. I think every fruit and vegetable grower in Canada would like to see that particular system implemented in a deal with the United States. The fact of turning to it under the rigours of war I think should be to the government proof that it is the most efficient way of handling that particular problem.

In the time that I have been in the chamber this afternoon, the hon. member for

Rosetown-Biggar mentioned the consumer and also the protection of the grower. The key to the protection of the grower is the time when these duties are applied. There is one question I should like to ask the parliamentary assistant, and I hope he will answer it when I finish. It is this: Are these duties at the disposal of the grower when requested? That is a matter of importance to the industry.

I should like to point out to the members of the committee that when an application is made for these duties to be applied, there is one loophole which hon. members perhaps do not know about. It is that all cars that are rolling are allowed in free of that duty. Let us say that the duty was put on on April 1. Any cars that have been bought by the produce dealers in this country—perhaps from California, Arizona or Texas—are allowed in without payment of that duty. To get them here sometimes takes a period of ten days. Then to dispose of this produce, or certain products, perhaps takes ten days; as to other products, it perhaps takes a shorter period of time. All these things must be considered having regard to the proper time of application. If the Department of National Revenue, which has the administration of these duties, will accept the recommendation of the growers—and I hope the parliamentary assistant will agree to this—who most of the time know what cars are rolling and how long it will take to dispose of those products before the Canadian product comes on the market, I think the difficulty will be taken care of.

The hon. member for York West said that the growers are in serious difficulty. I will admit that under the embargoes by the Minister of Finance during the shortage of United States dollars, they certainly were in fine shape; but during the last ten years the fruit and vegetable grower of this country has made wonderful progress; and financially, I think he is in as good shape as any other particular group of farmers in this country.

I might also mention the fact that in that last Geneva agreement—which was made some time ago, of course, and is just being implemented now—we received many cuts in the United States tariff. Some of their duties are now much lower than the duties on United States produce coming to Canada. Many of these duties have been cut. I might mention some of them. For instance, asparagus was cut from 50 per cent to 25 per cent; brussels sprouts, from 50 per cent to 25 per cent; cabbage, from one and a half cents to three-quarters of a cent; carrots, from 25 per cent to 12½ per cent; cauliflower from 25 per cent to 12½ per cent. All along the line we have received substantial cuts which have been helpful to the fruit and vegetable industry. The reason why the fruit and vegetable grower fought to maintain an extremely high tariff in this country was the fact that the United States tariff was so high that he was unable to get into those markets.

I live within 25 miles of the city of Detroit. Detroit, with its surrounding suburbs, has a population of perhaps two million people. There are perhaps more people in that particular city than there are in all the cities of the province of Ontario put together. That market has been denied to us. But through this last Geneva agreement and the one previously negotiated we have received concessions which have been helpful to the grower not only in the district which I represent but in many other districts in Canada.

The fruit and vegetable industry is a tremendous one, returning a large amount of revenue to the Canadian farmers, perhaps to the extent of $150 million or $160 million. I know that there are concentrated areas like southwestern Ontario, the Niagara peninsula and the Okanagan valley; but fruit and vegetables are grown clean across Canada. It is therefore difficult to prepare an estimate of the revenue to the farmers from that particular industry.

I believe the Canadian officials here have asked for further cuts on many other products. One of those mentioned has been potatoes. That matter is on the list, I believe, for discussion at Torquay. In the agreement which we hope will be made there, I trust that we shall receive more concessions which will result in more benefits to the Canadian grower. With the proper application of the duties we have, I think the growers will receive reasonable protection; but that protection hinges on the automatic application of the duties when applied for by the grower. I hope that the parliamentary assistant will rise in his place and say that if the growers are reasonable in their application, to protect the consumers, it should go on automatically for the protection of the grower. I might say that I was with a group of other farmers this afternoon and I did not hear all of the discussion.

Another point that was mentioned by the hon. member for Greenwood was regional applications. To protect the consumer in different areas like the western provinces, the maritimes, Ontario and Quebec, that regional application was put into effect quite some years ago. I know that when I first came into the house in 1935 there were no

regional applications, and many hon. members from western Canada did object to the maritimes having an application that applied to all of Canada. Therefore it was broken up, and quite often the growers asked for Ontario and Quebec, and then perhaps the maritimes; and the British Columbia growers might ask for the western provinces. That was done to protect the consumer. Because these methods are used to take care of his interest, he should be willing to help the producers of fruits and vegetables in this country, because it is a tremendous industry.

I will say that since these changes have been made in the United States tariff we from our district have been shipping many more products across the line. There are other problems. I believe the hon. member for Middlesex East mentioned two problems some time ago, one onions and the other celery. He said that a certain number of carloads were left after the 42 weeks period had elapsed. I may be wrong in this, but on reading his statement I thought he gave the impression that we had very little duty. We do have only the 10 per cent I believe for the short 12 weeks in the year, but we have a cent a pound, which is a dollar a bag, during the other weeks of the year. I might point out to the hon. member that in January in my district alone we had 600 cars of onions. When the tariff was taken off there were only about 25 left.

The hon. member also mentioned celery. I talked to him personally about this. He had purchased some United States celery and the price was very high, around $5 or $6 a case, and the quality was not too good. At that same time Canadian growers were unable to sell their celery at $2.25 a case. That was storage celery which had been in storage for many months. We have some excellent storage warehouses in this country to take care of products like celery, but we have many other storage houses which are not so good. I think the difference in the price must indicate a difference in quality rather than that a Canadian would buy United States celery at $5 a case in preference to Canadian celery at $2.25 a case if it were of the same quality.

Perhaps I have taken too long on this subject, but I do hope that the parliamentary assistant will tell the committee that on the recommendations of the organization the tariff, which they have, and which does not apply in many weeks of the year, will go on automatically at their request.

Mr. Sinclair: I think I should make answer to the hon. member. He has been very helpful to the committee in giving a practical illustration of the benefit of those reductions in United States tariffs which were put on the record a little earlier.

As far as the recommendation of the growers is concerned, we discussed that a little earlier. There will be the fear that if it were left entirely to the growers they might set a date too early when there would still be a shortage in the country and the consumer would be injured. The actual discretion is in the hands of the Minister of National Revenue, who consults with the Department of Agriculture and the growers, and who is also aware of the actual supply condition in the country. It is a date which is acceptable to both the growers and the consumers which is formally decided on.

I thank the hon. member very much for bringing forward as he has done the very helpful effect of the Geneva agreement so far as the vegetable growers of his district are concerned.

Section agreed to.

Sections 3 to 6 inclusive agreed to.

On section 7—*Construction of act.*

Mr. Macdonnell (Greenwood): I want to know the need for section 7.

Mr. Sinclair: As a consequence of the detailed classes in clause 5 we have some 435 items in which there has been a slight difference in numbering and a slight difference in designation. However, both the Emergency Exchange Conservation Act and the Customs Tariff Amendment Act which refer to these items refer to them by the old designation and the old numbering; and since we are not amending these two acts at this time, we are making the provisions of the Emergency Exchange Conservation Act and the Customs Tariff Act apply to the old numbering, not to the numbering which will be changed in some items by this act.

Mr. Macdonnell (Greenwood): That is what I thought you meant.

Section agreed to.

Sections 8 and 9 agreed to.

Schedule A agreed to.

On schedule B.

Mr. Sinclair: I have a slight amendment to make which I shall ask the Minister of Public Works to move.

Mr. Fournier (Hull): Mr. Chairman, I move that tariff items 206a (1) as contained in resolution 2 of March 28, 1950, be amended to read as follows:

206a (1) Sera and antisera, toxoids, viruses, toxins and antitoxins; virus and bacterial vaccines; bacteriophage and bacterial lysates; blood plasma or

serum of human origin or fractions thereof; allergenics, liver extracts, pituitary extracts, epinephrine and its solutions, insulin, with or without zinc, globin or protamine; all of the foregoing when imported for parenteral administration in the diagnosis or treatment of diseases of men.

Mr. Sinclair: May I explain this amendment. We had a discussion on penicillin some time ago. To make quite sure that there is no doubt as to the items which do come in free the Department of National Health and Welfare have asked us to spell out very clearly every possible one of this group of drugs which are used for injection under the skin. There is no change in this item, except that it has been expanded to cover every one of these unpronounceable names which the Minister of Public Works has moved.

Amendment agreed to.

Schedule as amended agreed to.

Schedule C agreed to.

Title agreed to.

Bill reported, read the third time and passed.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow we will take up Bill No. 177, to amend the Income Tax Act; Bill No. 180, to amend the War Veterans Allowance Act; Bill No. 209, to amend the Prairie Farm Assistance Act, 1939. Then we will take up the estimates of agriculture.

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

HOUSE OF COMMONS

Thursday, May 18, 1950

The house met at three o'clock.

NATIONAL RESEARCH COUNCIL

First report of special committee on the operations of the national research council.—Mr. McIlraith.

FIRE AND FLOOD DAMAGE

ORDERS IN COUNCIL APPOINTING COMMISSIONS OF INQUIRY

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I beg leave to table copies of two orders in council, dated yesterday, appointing commissions to investigate the nature and extent of the damage resulting from the flooding of the Red river valley and the fires at Rimouski and Cabano.

LOAN OF $745,000,000

ANNOUNCEMENT AS TO OVER-SUBSCRIPTION ON OPENING DAY

Hon. Douglas Abbott (Minister of Finance): Mr. Speaker, I know the house will be happy to learn of the successful result of our 1950 refunding loan offering. Hon. members will recall that the loan was offered for the purpose of paying off two Government of Canada issues which had been called for payment on June 1 and June 15 respectively, and was for a total amount of $745 million. The loan was offered in two maturities, an eighteen year 2¾ per cent bond and a four and a half year 2 per cent bond, and I reserved the right to close the books at any time and to determine the amount of bonds to be allotted in each maturity.

The books of the loan were opened at 9 a.m. this morning and were closed at 9.01 a.m. At that time the loan was very heavily over-subscribed, and allotments of both long term and short term bonds have to be substantially less than the subscriptions. The Bank of Canada will be advising primary distributors by overnight telegram tonight as to the portion of their orders which will be filled. As between the long term and short term issues, the loan has been allotted as follows; $350 million in the 2¾ per cent eighteen year bonds and $395 million in the 2 per cent four and a half year bonds.

This issue represents the largest offering the government has ever made under ordinary peacetime conditions. Its long term portion represents the first offering of ordinary market bonds we have made to the general public since the ninth victory loan bonds were offered in the fall of 1945. Therefore I think we may all take pride in the remarkable success of this loan flotation. The enthusiastic and general response of investors throughout the country provides substantial evidence of prosperous conditions and of confidence in the future of the country. In conclusion I wish to thank the investment dealers and banks whose efforts contributed to the successful placing of the bonds with investors in all parts of the country.

DOMINION ELECTIONS

REPORT OF CHIEF ELECTORAL OFFICER ON TWENTY-FIRST GENERAL ELECTION

Hon. F. G. Bradley (Secretary of State): Mr. Speaker, I should like to lay on the table of the house the report of the chief electoral officer on the twenty-first general election, 1949.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

COST OF STONE WALL ON PROPERTY IN POINTE DU LAC, QUE.

Mr. Balcer:

What sums were spent by the federal government in 1947, 1948 and 1949, for the erection of a stone or concrete wall on the property of Jean Marie Bureau, in the municipality of Pointe du Lac, county of Trois Rivieres?

Mr. Fournier (Hull): Fiscal year 1946-47, nil; 1947-48, nil; 1948-49: A 400-foot wall was built at Pointe du Lac to protect the shore from erosion. Part of this wall fronts Mr. Bureau's property. This section is estimated at $3,942.40.

GRAND RIVER, QUE.—PUBLIC WORKS

Mr. Courtemanche:

1. Has any work been carried out on the Grand river (Grande riviere), county of Gaspe south, during the summer of 1949?

2. If so, what was the cost of same?

3. Who was the foreman, and what daily rate did he receive?

Questions

Mr. Fournier (Hull):

1. Yes.

2. $37,372.31.

3. (a) Marcel Cauvier; (b) $8 a day.

DOMINION ARSENALS—PERSONNEL

Mr. Hodgson:

1. How many officers, officials or managers are there at the dominion arsenal at Lindsay, Ontario?
2. How many officers, officials or managers are there at the other dominion arsenals in Canada?
3. What are the names of such persons and their respective positions and salaries?
4. Are they allowed expenses?

Mr. McIlraith: The terms "dominion arsenal" and "dominion arsenals" in questions 1 and 2 have been construed to mean the operating divisions of Canadian Arsenals Limited.

1. Two.

2. Twelve.

3. Small arms ammunition division, Quebec city; Brigadier A. Theriault, C.B.E., chief superintendent; Mr. D. Busque, accountant.

Gun ammunition division, Lindsay, Ontario: Lieutenant Colonel E. M. Shields, O.B.E., E.D., manager; Mr. C. W. Walden, accountant.

Small arms division, Long Branch, Ontario: Lieutenant Colonel J. W. Leavens, manager; Mr. T. H. Marshall, accountant.

Gun division, Longueuil, P.Q.: Mr. E. A. Sprenger, manager; Mr. J. C. Mill, accountant.

Filling division, St. Paul l'Ermite, P.Q.: Mr. J. D. Chisholm, manager; Mr. G. R. Jackson.

Explosives division, Valleyfield, P.Q.: Captain T. E. Heron, manager; Mr. P. Reynolds, accountant.

Instrument and radar division, Leaside, Ontario: Mr. A. W. Ballantine, manager; Mr. J. R. Prazak, accountant.

4. Limited out-of-pocket travelling expenses when on company business.

QUESTION PASSED AS ORDER FOR RETURN

LEGAL SERVICES—NORMAN L. MATHEWS

Mr. Conacher:

1. What amounts of money has Norman L. Mathews received for legal fees from the present government (a) per year; (b) per case?
2. What was the result of the case of Gordon Davidson, convicted November 3, 1947, appealed in February, 1948, and the decision?
3. What were the amounts Mr. Mathews received for legal services in this case for each appearance?

[Mr. Courtemanche.]

DOMINION-PROVINCIAL CONFERENCE

INQUIRY AS TO PROGRESS OF ARRANGEMENTS—FURTHER CORRESPONDENCE

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): May I ask the Prime Minister if he is in a position to make any further report to the house concerning arrangements for the forthcoming dominion-provincial conference; and in particular, would he tell the house whether any date has been set and whether any further correspondence has been exchanged between the governments which might be tabled?

Right Hon. L. S. St. Laurent (Prime Minister): No date has yet been set for the conference. Since I tabled the correspondence I believe two further letters have been received; I shall make inquiries and bring down any that have not been tabled. I do not think there is anything I can report as to arrangements. The correspondence has been dealing with suggestions as to the agenda, but nothing has been determined yet in that regard.

DOUKHOBORS

USE OF COMOX NAVAL BARRACKS FOR DETENTION OF PRISONERS

On the orders of the day:

Mr. J. L. Gibson (Comox-Alberni): In view of the telegrams of protest which have been sent, will the Minister of Justice state whether or not arrangements have been entered into with the Department of National Defence to take over the naval barracks at Comox for the detention of Doukhobor prisoners?

Hon. Stuart S. Garson (Minister of Justice): The answer to my hon. friend's question is yes. The arrangements are not completed, but they are in course of negotiation and we expect to complete them shortly.

Mr. Gibson: If I may ask a supplementary question, I take it there is no intention of using the R.C.A.F. station at Comox for this purpose?

Mr. Garson: No, sir.

Mr. Gibson: Has the attorney general of British Columbia been consulted, and has he concurred in this decision?

Mr. Garson: We have been in contact with the attorney general of British Columbia with respect to all matters connected with Doukhobors and their detention, and I think it might be said that he has at least agreed to accept this as the least undesirable of all alternatives from his standpoint.

FISHERIES

GREAT LAKES—INSPECTION OF WHITEFISH FOR EXPORT

On the orders of the day:

Mr. A. Earl Catherwood (Haldimand): I should like to direct a question to the parliamentary assistant to the Minister of Fisheries. The inspection of whitefish from the great lakes is now on a voluntary basis. Is it the intention of the government to put into effect compulsory inspection regulations covering all whitefish for export?

Mr. J. W. MacNaught (Parliamentary Assistant to the Minister of Fisheries): It is the intention of the Department of Fisheries to have a meeting this fall with representatives of the provincial governments and of the industry, to determine the proper time at which inspection of whitefish will be changed from a voluntary to a compulsory basis.

NORTH ATLANTIC TREATY

QUESTION AS TO AGREEMENT AT LONDON CONFERENCE

On the orders of the day:

Mr. George A. Drew (Leader of the Opposition): Does the Prime Minister intend to give to the house today any information about the agreement that has been announced at the meeting in London?

Right Hon. L. S. St. Laurent (Prime Minister): I am not aware that it has been announced. I am expecting word momentarily as to the hour at which it is to be released. I have the statement here, but I did not feel that I could communicate it to the house until such time as we knew it was being released in London.

(See also page 2621.)

INCOME TAX ACT

Hon. Douglas Abbott (Minister of Finance) moved the second reading of Bill No. 177, to amend the Income Tax Act.

He said: Mr. Speaker, I have only a word to say in connection with this bill. I regret that it was found necessary to have it run to such length, but there are two or three reasons for that. There are relatively few changes involving important questions of principle, such as the new provisions with respect to surpluses of closely held companies, some provisions respecting charitable corporations, and the like. However, as the house will appreciate, when changes of that kind are introduced it is necessary to make a number of consequential amendments in other sections of the act.

Income Tax Act

As the house will recall, in 1948 we passed a completely new Income Tax Act, and as a result of experience over the last year it has been found desirable to make some changes and improvements in various sections of it. Moreover, because of the virtual elimination of ministerial discretion in the Income Tax Act it has become necessary to spell out in a great deal more detail a number of its provisions. It is for these reasons that the amending act runs to such length.

The house will recall that I introduced it a week or ten days ago, and it has been allowed to stand during that period in order that hon. members might have an opportunity of examining its provisions, and also in order that we might receive criticism and suggestions from those outside the house who may be interested in its provisions. I am glad to say that we have received a number of very helpful and constructive suggestions from the Canadian Tax Foundation, and others; and when we are in committee I shall have some amendments to offer to the sections as they now stand which I think will further improve the act. I hope we may be able to proceed to consideration of the bill in committee at a reasonably early hour.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I believe one can be thankful for certain forward steps indicated in this bill amending the Income Tax Act. I think there has been a definite attempt to deal with the question of surpluses. I welcome one thing in that connection, that instead of the old-fashioned remedy of pains and penalties, the new clauses turn to the much more helpful area of incentive. In other words, companies are given an incentive to come in and pay the taxes which are indicated. Without labouring the point at the moment I think it is permissible to ask—and it will be asked in committee—why this is limited only to private companies; but on that I shall say no more at the moment.

The other thing one welcomes—and perhaps we on this side may try to arrogate to ourselves a little credit for this—is that the provisions for assisting small companies, which last autumn we felt had been so much tied up by the then legislation, have been relaxed, and I hope in a constructive way.

Having said those things, of course, one must not forget to remind the house that we still have the heavy burden of double taxation. A beginning was made to lighten it; nevertheless it has been lightened very little. One thing of which we shall all be glad is that section 6 disappears—that is, the section

which enabled government officials to step in and tell companies what they were to do with their surplus.

Mr. Abbott: Section 9, subsection 6.

Mr. Macdonnell (Greenwood): Section 9. The legislation before us encourages one to hope that the time may come when even section 126, I think it is, may be eliminated. Under this section a discretion is still reserved in the department to tell a man he must pay more taxes, even when he has complied with the law in every way and has paid his full taxes. We feel that this is a scandalous provision.

I was glad to hear the minister say that ministerial discretions were being eliminated. We shall all rejoice when that is done. After all, we do exist as a civilization probably mainly because of the rule of law. This section 126 seems to be a contravention of that basic principle in our lives.

I think, Mr. Speaker, the other points I might mention are details which could be dealt with in committee.

Mr. Donald M. Fleming (Eglinton): There are one or two things I should like to say before the bill goes to the committee. The Minister of Finance (Mr. Abbott) has referred to the fact that there was a complete revision of the act in 1948. The members who were in the house at that time will recall that only two days, or parts of two days, were spent in the banking and commerce committee in a detailed review of that long and important measure. I believe it will be a matter of general regret, Mr. Speaker, that it has been found necessary now to undertake two quite substantial revisions of that important legislation within the last two years. After all, the bill itself was a bill extending to eighty-eight pages. In Bill No. 176, at the second session of this parliament in 1949, we had a measure extending to forty-one pages. In Bill No. 177, now before the house, we have further amendments extending to twenty-nine pages.

While the house will always be glad of an opportunity to remedy weaknesses or injustices in the act, I think this experience does point to the fact that we must take greater care in this house in connection with our taxing legislation. If I may suggest it, when major measures of this kind come before the house, such as the one in 1948, more time should be spent on them in the proper committee.

There is a second regret that I am quite certain will be shared by all members of the house who have made any effort to read and digest the terms of this bill. The regret was expressed last November and December, sir, during the debate on Bill No. 176 of that session. It is that our taxing statutes, particularly the Income Tax Act, are constantly becoming couched in more and more abstruse language. If there is one feature of taxing legislation that is more objectionable than another, it is when its provisions defy clear understanding and relatively simple reading. I grant you that if we are to deal with situations in great detail in our taxing acts we are going to have long acts with very detailed provisions, but I submit that we should follow that good axiom that taxing legislation should be written in as clear, simple and understandable terms as possible. Departures from the observance of that axiom ought not to be tolerated by the house if they can possibly be prevented.

Attention was drawn last fall to the very complicated and involved terms of Bill No. 176. I am certain, sir, that those members of the house who have taken the trouble to read the bill before us, and have tried to understand its provisions, will share the regret that it has not been found possible by the draftsmen to couch the terms of the bill in simple, understandable language. It is an extremely abstruse and complicated bill.

In conclusion, sir—because I appreciate there will need to be some time spent in the committee on the detailed clauses of the bill—I mention my disappointment that there are not certain provisions to be found in the bill which some of us had hoped to see in it. In the first place, notwithstanding what the minister had to say on the subject in his budget speech, some of us still hoped that the minister would see fit to introduce some provisions which would dispel the fear that does exist on a substantial scale today that capital gains are in danger of taxation. In his budget speech the minister indicated that he did not think it was possible to go any further in defining income under the act, in order to make it quite clear it is not intended to tax capital gains. The language used in certain recent court decisions, it seems to me, makes it desirable, if not imperative, to clarify the legislation, and a provision of that kind ought to be introduced. I express my regret that such a clarifying provision is not to be found in this bill.

One further matter—and this is not new on my part, because I have raised the point in several previous sessions—I regret that the minister has not seen fit to introduce amendments to section 26 of the act. This section defines the "extraordinary medical expenses" which the taxpayer may deduct to the extent that those expenses exceed four per cent of his income. The minister has not seen fit to propose the elimination of two

obvious anomalies and discriminations. In the first place, while the section permits the inclusion within the definition of "extraordinary medical expenses" of aids to hearing or aids to cripples, no inclusion is offered of aids to sight. I submit, Mr. Speaker, there is no principle which at the one time justifies the inclusion within this definition of aids to hearing or aids to walking, and at the same time excludes aids to seeing. I urge that the expenditure on eyeglasses ought to be included within the definition of extraordinary medical expenses.

The other anomaly that continues to exist, and which this bill makes no effort to remove, has to do with expenditures by taxpayers on drugs. I am sure hon. members are well aware of the fact that the anomaly arises out of the difference in practice in relation to dispensing which is found in urban centres on the one hand, and rural areas on the other. In most cases it is the practice of the physician in the rural areas to dispense his own drugs and medicines. Consequently, the bill which the taxpayer receives from his physician includes the expenditure made on drugs and medicine, and those expenses are allowed by the Department of National Revenue as "extraordinary medical expenses." In the case of the urban dweller, he suffers what I feel is a discrimination. It is not the practice of physicians in urban areas to do their own dispensing. They simply issue a prescription which the patient or taxpayer takes to the dispensing druggist to be filled. The Department of National Revenue rejects expenditures made in that way for medicines and drugs.

Let us acknowledge, Mr. Speaker, that there are some administrative problems to be reckoned with in removing this anomaly and discrimination. I submit that these anomalies and discriminations should have been removed long ago, and I regret that no attempt is made in the present bill to remove them. I urge upon the Minister of Finance once more that between now and the next session of parliament he give further, and this time favourable, consideration to these matters.

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

On section 1—*"Death benefit."*

Mr. Macdonnell (Greenwood): I want to ask a question with regard to clause 1, subsection 1, which adds, in the category of income, death benefit.

Mr. Abbott: These death benefits have been treated as taxable; and as my hon. friend will see, "death benefit" is defined in a later section of the bill. The amendment here is by way of a relieving measure, and in essence it is this—and I am summarizing it shortly: if the death benefit does not exceed three months' salary, then it will not be considered as taxable income. Otherwise, of course, the old rule will apply.

Mr. Macdonnell (Greenwood): What does the minister mean by saying "the old rule"?

Mr. Abbott: Under the general rules with respect to income, these so-called death benefits, which were payments made by the employer to the widow or other survivor of the deceased, were income within the definition as contained in the act. This will constitute an exemption. In the section they will be specifically defined as income, and then the exemption will be granted under the other section.

Section agreed to.

On section 2—*Stock dividends and stock rights.*

Mr. Macdonnell (Greenwood): I fully agree with what has been said by the hon. member for Eglinton about the complicated nature of these provisions. As a matter of fact, as somebody pointed out, you almost go at this like a crab, backwards. If you turn to page 22, you really find the operative section. Then if you come back to page 16, you are helped a little on your way, and finally you come back to some of the other operative sections, one of which is subsection 2. I suppose that the order is partly dictated by the order of the sections in the existing act.

Mr. Abbott: It is dictated by that.

Mr. Macdonnell (Greenwood): It makes it difficult for one to follow until you get a key to the labyrinth. Would it not be convenient at this point for the minister to give us a statement as to the situation?

Mr. Abbott: Yes.

Mr. Macdonnell (Greenwood): And as to what are the things included and what are the things excluded.

Mr. Abbott: I should be happy to do that. My hon. friend is quite right when he says that the order is dictated by the arrangement of the sections in the act. As he and others who have had legal training will appreciate, it is always more difficult to read an amending bill and explain it unless you have beside it the act which is being amended. In other words, you have to take the section which is being amended, look at the original section, and look at the amendment. Under section 71A we are making provision with respect

to what are commonly known as profit sharing plans, and we are in effect here confirming what has been the practice with respect to those plans. Under the so-called profit sharing plans, the employer has been entitled to deduct from his gross income the amount of profits which he contributes to the plan. The employee who is in receipt of a credit for those profits takes his proportion into his own personal income as well as any earnings from the fund. When he receives out at the end his share of the funds accumulated in the plan, then that is free of tax. The committee will appreciate the fact that that is exactly the reverse of the rule in a pension plan, where the pension payments are deductible by the employee and the pension when received out is taxed. These profit sharing plans operate on the exact reverse of the principle which is applied with respect to pensions. Under section 71A we give statutory form to that type of employee savings plan. This subsection 2 is a necessary and consequential amendment to section 6 as a result of section 71A.

The Chairman: Shall the clause carry?

Mr. Macdonnell (Greenwood): No, Mr. Chairman. I am afraid I have not made myself clear to the minister. Section 2 refers, among other things, to the payment of stock dividends, and so on.

Mr. Abbott: Oh, I am sorry, I thought we were talking about subsection 2 of section 1.

The Chairman: Shall clause 2 carry?

Some hon. Members: Carried.

The Chairman: Clause 3.

Mr. Fraser: No. We are on clause 2, Mr. Chairman, because the minister has said that it was the second part of clause 1 that he was talking about. Now we are on clause 2.

Mr. Abbott: I do not know that I can explain the section in much better terms than those that are set out in the explanatory note, which says:

> The effect of the amendment is to add the payment of stock dividends and the issuance of stock rights to the exclusions under the section. A new provision governing the taxation of stock dividends is contained in section 73.

My hon. friend and others who have studied the bill will see that we are making a completely new arrangement with respect to these so-called capital distributions. In part that rearrangement is necessary as a result of our new sections authorizing the capitalization of undistributed earnings upon payment of fifteen per cent tax in the case of a private company. Section 9(6), to which my hon. friend has referred, has been eliminated, and the other provisions of section 9 have been put over into section 73, which contains in one section all the rules with respect to the capitalization of earnings and their distribution. If it would be helpful, we could perhaps consider section 73 at this stage.

Mr. Macdonnell (Greenwood): It is whatever the minister wishes.

Mr. Abbott: It is the inevitable inconvenience that results from having to move from one section into another.

Mr. Fraser: I noticed in the New York *Tribune* of yesterday a report that the United States government either have put in or are contemplating putting in a withholding tax on all stock dividends, owing to the fact that they have not been able to collect as we do here in Canada. They have been losing some money. I wondered how much that would affect the convention that you have with the United States on the withholding tax of fifteen per cent on Canadian investors.

Mr. Abbott: My information is that the withholding tax is being considered in the United States, but it relates only to ordinary dividends payable to residents of the United States. It would have no effect on our reciprocal tax agreement.

Section agreed to.

Section 3 agreed to.

On section 4—*War savings certificates.*

Mr. Adamson: I should like to say a word on paragraph (j) of subsection 2 of section 4, and I certainly shall have something to say when we get to 73A. It seems to me a simplification of this language might be considered. Paragraph (j) reads:

> . . . an amount received as a result of prospecting that section 73B provides is not to be included.

I suggest to the minister that that seems an extraordinarily complicated way of saying what the intent of 73B(1) is. It is complicated enough as it is.

Mr. Abbott: It is a matter of opinion as to whether the language may or may not be improved. The draftsman put it in this form because section 10, to which this subsection is added, starts off:

> There shall not be included in computing the income of a taxpayer for a taxation year—

And then follow paragraphs (a), (b), (c), (d), (e), (f) and so on, which apply to the amount received. There shall not be included the amount received as the result of prospecting that section 73B provides is not to be included. You may say there is a double negative there, but I think the form of the

governing sentence at the beginning of the section makes it necessary to put it in those terms.

Section agreed to.

On section 5—*Interest.*

Mr. Fleming: Will the minister make a statement clarifying the relationship between this clause and assumed legal obligations? I do not propose to reiterate what I said in the house on the resolution stage on May 4. The matter was discussed at some length and arose out of decisions in the McCool case and the Rhinehorne case with reference to interest on assumed legal obligations.

The budget resolution seemed to indicate quite clearly that it was the intention of the ensuing legislation to place assumed legal obligations on precisely the same footing as those created directly by the taxpayer in the course of earning his income. I am not sure, however, even after carefully reading and rereading section 5, particularly the language of line 33, whether this does in fact include assumed legal obligations. If my understanding of the purpose of the section is correct, that it was intended to eliminate the decisions in the McCool and Rhinehorne cases and to place assumed legal obligations on precisely the same footing as primary obligations on the part of the taxpayer, then it remains a question whether the committee is satisfied that this language does actually carry out that intent. If we are in agreement on the principle, then it becomes a matter of clarifying the terms of the legislation. Personally I do not think it is sufficiently clear.

Mr. Abbott: Of course that is a matter of legal interpretation. As my hon. friend has indicated, and as he is aware, this amendment is intended to cure what seemed to us to be an injustice arising out of the decision in the McCool case, with which my hon. friend is familiar. It was felt that money which was borrowed directly for the purpose of a business, and on which interest being legally payable could be deducted as an expense, was really in no different position from interest on the balance of the price of a property acquired for carrying on the business, or interest on a mortgage existing on a property for the purpose of carrying on a business; and paragraph (c), subparagraph (ii), is intended to cover the case. The Department of Justice have assured me that it accomplishes that purpose. My own personal opinion would be that it does, that the language is sufficient to meet the point which my hon. friend has raised.

Mr. Fleming: It will suffice to answer my fears if the minister will give assurance that the Department of National Revenue, in applying this section, will interpret the expression "legal obligation" as including assumed legal obligations as well as those that are primarily created by the taxpayer himself.

Mr. Abbott: Well, legal obligation refers to a legal obligation to pay interest. My hon. friend appreciates that. If the person who assumes the obligation assumes first an obligation to pay capital, and second an obligation to pay interest on it, I can assure him that the Department of National Revenue will interpret it in the way he suggests.

Mr. Ferrie: I have one question. Suppose a farmer buys a quarter-section of land which is covered with bush. He goes to work on this quarter-section. He borrows the money to clear off the bush. Can he deduct, for income tax purposes under this amendment, the interest on that borrowed money?

Mr. Abbott: It is an interesting point that my hon. friend has made. As I have said before, I am always reluctant to give a legal opinion as to a specific case, but it seems to me to be the type of case that would qualify. My hon. friend has cited the case of a farmer who makes an investment in his farm and may have to borrow money either to clear it or to buy it. Under these circumstances he is entitled to deduct his expenses. It would seem to me, on the facts that the hon. member for Mackenzie has put, that he would be entitled to deduct the interest on the money he borrowed. I am not charging for that opinion, so do not hold me to it.

Mr. Smith (Calgary West): Let us take farmers who are clearing land west of the Calgary and Edmonton line in Alberta. In that area we have a lot of good land which is covered with bush. In order to work that farm a man gets the money somehow to clear the bush land so that it may be made productive. By "bush" I do not mean great trees, lumber containing trees, as they have them in British Columbia. At the present time he cannot charge off as an expense in his operation the money he has spent in clearing that land.

Mr. Abbott: That is a capital expense.

Mr. Smith (Calgary West): That is regarded as a capital expense. I do not think that that is justified either. As a matter of fact, I do not know on what basis it is regarded as an expense, because in a practical way, as the hon. member well knows, there are large portions of the country which will prove productive if cleared. When I speak of bush I mean this scrub stuff that we have all over the place, and which is of no value. It gets

in your way; you have to burn it, and possibly that is the only thing you can do with it. I have never understood why that man is not permitted to charge something as an expense in clearing that farm so that it shall be valuable as a productive unit in agriculture. I do know that the present ruling is that he cannot charge one cent of that against his operations. That is something which deserves more consideration at the hands of those in authority. I put it down definitely so that if anybody wants to inquire I am referring at the moment to the district lying west of Cremona in my own constituency. I know that there we have that exact situation. I also know that at no place in the whole of the west, once it is cleared, is there a better place for growing coarse grains than on the very type of land that I am speaking about. I am not joking when I say that I know of lands which are growing a hundred bushels of oats to the acre. Surely it is that kind of production we want, because that happens to be a fairly wet area. I do think some consideration might be given to an alleviation of the situation of the man who has put in all his capital, and who gets no return for a couple of years in any event. Surely that should be considered.

Mr. Wright: I agree with the minister that in some cases the procedure of investing additional capital in clearing land was abused in the early days. I remember that in 1941 or 1942 it was allowed as a deduction, and there were a number of people in western Canada who, while not farmers, went out and invested a considerable amount of money in clearing lands, and then used it as a deduction.

As a result of that the department changed the regulation to provide that no deduction could be made for the clearing of land. Yet we know that in large areas of the west, including those referred to by the hon. member for Calgary West and the hon. member for Mackenzie, as well as in my own constituency, many young chaps have started out on their own on half-section farms. The money they have to reinvest each year to clear land should be deducted, so far as their income tax is concerned. I suggest some regulation should be made under which the half-section farmer at least will have this deduction. Perhaps it would be necessary to provide that those on larger farms, or those operating larger units, would not be permitted to make the deduction. As a matter of fact the large operator today with equipment of his own is allowed, I believe, $300 worth of clearing—often it is more than that—as a deduction. The small operator has not equipment of his own, but must go out and hire it. Every cent he pays is from his capital, and he is not allowed a deduction on it.

Mr. Abbott: The question whether money expended for the improvement of land should be a capital item or an operating cost item does not arise under this section. The hon. member for Mackenzie asked whether the interest on money borrowed for purposes of clearing land would be deductible. I said I thought it would be, because it would be a capital expenditure. The farmer would have borrowed it, and, as in respect of any other interest on capital investment, by way of mortgage or anything else, he would be entitled to deduct the interest. But the actual cost of improving the land has always been considered as a capital investment and not as a current operating expense.

Mr. Ferrie: One man has gone so far as to cut down the bush, break up the land and put it into condition so that he could get a crop off it. He did get a good crop, but in getting it he was not able to make a payment on his loan because he had to pay interest to the bank, and then pay income tax. The municipality had to wait another year because he had to pay income tax. In my view that is most unfair, because income tax is bound to be paid in respect of the wheat or grain taken off that land. Therefore why should he not be allowed, as a deduction from income tax, the expense of clearing the land?

Mr. Knowles: This is the section in the bill which amends that section of the act which has reference to pension plans of one kind or another. Part of the amending section refers to that general question.

A few moments ago the minister made a general statement as to the rule now in effect, namely, that contributions to an approved pension plan are allowed as income tax deductions, but that payments to pensioners out of such plans are taxable.

Mr. Abbott: I do not wish to interrupt the hon. member, but I must point out that the section under consideration has nothing to do with pensions. It is true that it does relate to the general section which states that certain items will be deductible from gross income. But I doubt whether it would be in order to engage in a full-fledged discussion of pension plans under this section. There may be some sections later in the bill under which that could be done. My reference to the matter was simply by way of illustration in contrasting the profit-sharing plan with the pension plan.

Mr. Knowles: I have no intention of discussing pension plans as such, or old age

pensions in general, although I do not blame the minister for thinking that I might have so intended.

Mr. Abbott: I was somewhat apprehensive.

Mr. Knowles: That was not my intention. However, I draw his attention to the fact that section 5 (3), which we are now discussing, does refer to employees' contributions to pension funds.

Mr. Abbott: That is right.

Mr. Knowles: What happens where payments out of a pension fund are being received by persons who, when they made their payments into the fund, were not allowed a deduction for those payments for income tax purposes?

Mr. Abbott: I am informed that payments out in that case are apportioned.

Mr. Knowles: Is it correct to say that by "apportioned" the minister means that the portion contributed prior to a certain date is allowed?

Mr. Abbott: It is tax exempt, yes, so I am informed. I must confess I am not personally familiar with all the details of the administration of it, but I am told it is apportioned.

Mr. Knowles: It is precisely that kind of case which I feel I must draw to the attention of the minister as a grievance, because it seems to me the act calls for the practice he has just indicated. I believe he is right in that. However, in the case I have in mind it is not being—

Mr. Abbott: If the hon. member would look at section 26, with which we have not yet dealt, he will see that there is a specific provision for that apportionment.

Mr. Knowles: Then I shall wait until we reach that section to discuss this phase of the matter.

Mr. Abbott: The section we are now considering covers the period 1946 or a subsequent taxation year, while section 26, to which I have just referred, covers the period from 1944 to December 31, 1945. Perhaps we could have a full discussion on section 26.

Mr. Knowles: That would meet with my convenience in relation to the discussion of the cases of persons receiving pensions out of a pension fund. However, I wish now to discuss another aspect of the matter, namely that relating to payments into a pension fund, which does come under this section.

The section we are amending states that the portion of trade union dues paid into a pension fund is allowed as an income tax deduction. I am not going to launch into an argument about trade union dues generally, because the minister knows my thoughts on that matter. But may I point to certain facts, which I believe I can do most effectively by giving the details of a specific case.

The international typographical union has a pension plan. Under the laws of the union every active member thereof must pay dues that include a portion for pension purposes. Under the terms of this section of the act the income tax authorities have allowed that portion of the dues paid by members of the international typographical union which goes into the pension fund to be deducted for income tax purposes. I can speak from experience. I belong to this union and I get that small deduction at the end of the year.

It so happens that local No. 91, the Toronto local of the international typographical union, which has some 1,400 members in the greater Toronto area, has passed a local law which says that every member of the Toronto local must pay an additional one per cent in addition to the amount levied by head office. The plan has been approved by head office. So far as a member of the Toronto local is concerned, it is just as compulsory that he pay the extra one per cent as it is compulsory upon me as a member of the Winnipeg local to pay the basic pension assessment of two and one-half per cent.

Mr. Sinclair: As savings or as pension?

Mr. Knowles: As pension. If I die before I reach pensionable age it is gone. If I reach pensionable age it will come to me, unless I am still a member of this house.

Mr. Abbott: Are there any unemployment benefits attached to the plan?

Mr. Knowles: No. The only other benefit attached to it is a mortuary benefit. If a person dies before he reaches pensionable age there is a mortuary benefit. The point I wish to make is that the extra one per cent I referred to is not voluntary. It is just as compulsory for a member of the Toronto local to pay the extra one per cent as it is for members of other branches of the union to pay the basic amount. Officials of the union have been in touch with the department in Ottawa to try to get them to agree to allow that extra amount. I have seen the correspondence, and I must say that I do not think the point has been recognized by the officials here. There has been some suggestion by officials here that one has to think of these plans in terms of amounts being deducted by the employer and paid into the fund. The act does not say that, and certainly it does not apply in the case of the basic amount we pay into our union pension fund.

That amount is not deducted by the employer. I pay it to the union and the union pays it into the pension fund. The same thing is done with regard to the extra one per cent at Toronto. In turn if a member of the Toronto union reaches pensionable age he will get an extra $5 a week in addition to the basic pension paid by the union which is now $16 a week. The extra $5 will be taxable income if the recipient is in a high enough bracket, but the one per cent that he is called upon to pay, in the same way that members of the other branches across Canada pay the basic amount, has not yet been allowed as an income tax deduction. It seems to me that the wording of the act is clear. I cannot see that there is any necessity for departmental approval of this; it should be automatic. I hope, despite the fact that the correspondence that has taken place thus far has not produced a favourable result, that such will now be the case. I am sure the minister will agree with me on that, if I have stated the case correctly, and I am satisfied that I have. I have the correspondence, the laws of the international typographical union and the laws concerning the Toronto local plan before me. If there is any doubt as to the wording of the act I suggest it should be changed to cover such a case. In the meantime I would be glad to have the minister's comment on it.

Mr. Abbott: I have listened with a great deal of interest to the hon. member. I am not familiar with the particular plan to which he refers. From what he said I understand he has had some discussion about it with the Department of National Revenue. I do not think I can say more now than that I will follow it up myself and see what the situation is. I will ascertain from the Department of National Revenue what their views are and then I will see what mine are.

Section agreed to.

On section 6—*Fiscal period for individual member of partnership wound up.*

Mr. Abbott: I have an amendment to section 6, subsection 2. Subsection 2 reads:

This section is applicable to the 1950 and subsequent taxation years.

I would ask my colleague, the Minister of National Health and Welfare, to move:

That subclause 2 of clause 6 be amended by substituting 1949 for 1950 in line 35.

As the committee will appreciate, this is a relieving section.

Mr. Martin: I so move.

Amendment agreed to.

Section as amended agreed to.

[Mr. Knowles.]

On section 7—*Lease-option, hire-purchase, etc.*

Mr. Fulton: As I understand it, section 7 has the effect that in these lease-option agreements, or in fact agreements for sale, where the purchase price is to be paid over a period of years by instalments, the amounts of the annual payments will no longer be deductible as rent or an expense but will be included as a part of the purchase price and not deductible from income. I notice that no exception is made in the section, or so far as I can see any discretion given to the taxing authorities, to take account of what is almost a universal feature of such instalment payments, namely, that there is provision for interest on the unpaid balance of the purchase price. In other words, if you sell under an agreement for sale at $5,000 to be paid at the rate of $1,000 a year, almost invariably there is a provision that interest at the rate of five per cent, let us say, will be payable on the unpaid balance together with the instalments of purchase price. I cannot see that anywhere in the section there is provision for that interest charge to be deducted from income. It is a genuine expense. It is not a part of the purchase price. It is merely interest on the unpaid balance, and I feel provision should be made for its deduction.

Mr. Abbott: Perhaps I might say a word in explanation of the amendment. Last year section 18, as contained in the act, applied to movable property. The essence of it was that if you agreed to rent machinery or equipment at $5,000 a year, and it was provided that at the end of five years—I am using that figure as an example—if you had paid the rent of $5,000 a year regularly the machinery would belong to you on payment of a further $100, that was looked upon as a capital expenditure. For purposes of depreciation the total rental payments would be aggregated together with the final payment on the option to purchase, and depreciation taken on that figure.

That only extended to movable property. As probably members of the committee are aware, it was found that this type of contract was being extended to real estate. In a good many cases, for instance, an insurance company will take over chain store properties at a figure. They will be leased by the store operator for so much a year, and the contract will provide that at the expiration of a certain period, upon payment of perhaps a fairly nominal sum, the so-called lessee will own the property. If that so-called lease extended over a reasonable period of time there would be no discrimination but if, as is sometimes the case, it was for a very short period, let us say for five years, and the depreciation which could be taken on that type of property would

normally take twenty-five years to write down, then obviously the effect of such an arrangement would be to enable the so-called lessee to obtain accelerated depreciation at a rate which would not be available to the ordinary owner of a property.

It was felt that should be prevented. Mind you, I think I should say at once these arrangements are not entered into for the purpose of obtaining accelerated depreciation. They are entered into in order to enable the so-called lessee to improve his working capital position and not have too much money tied up in real estate. That is the purpose of the section. The general interest rule of course would apply with respect to moneys borrowed for legitimate purposes in connection with the business. That might cover the point raised by the hon. member for Kamloops.

Mr. Fulton: Take a conditional sale agreement. Would it cover an ordinary conditional sale agreement of movable or immovable property? Would that come under the provisions of this amending section?

Mr. Abbott: I am told that a conditional sale agreement would come under this section, and that the aggregate of the so-called rental and interest would be taken for the purpose of arriving at the capital cost against which depreciation could be taken as an expense.

Mr. Fulton: I can see that, but what about the effect of the amendment?

Mr. Abbott: The only effect of the amendment is to extend the operation of the clause to real property, that is, immovable property. Previously it only related to movables. Now it extends to immovable property, except that used by farmers.

Mr. Fulton: Subsection 2 of the proposed section 18 provides:

> Where a person is deemed under subsection (1) to have acquired property under a contract or arrangement and the contract or arrangement is subsequently rescinded or determined, he shall, for the purpose of section 20, be deemed to have disposed of the property for the price fixed by the contract or arrangement minus the aggregate of all amounts paid by him under the contract or arrangement on account of the rent or other consideration.

From reading the section I take it he would then be penalized by having to pay tax on the amount of the payment already made?

Mr. Abbott: No, I am told that is not the case. He has been taking depreciation on the total sum, and this is to provide for the recapture principle in this type of contract.

Mr. Fulton: It does not have the effect of penalizing him on the payment made, then?

Mr. Abbott: I am told not. I am told he is deemed to have sold it at the unpaid price, so that would wipe that out.

Mr. Fulton: Then there is one small point further. The next subsection is numbered 2. Should that not be 3? You appear to have two subsections 2.

Mr. Abbott: This is section 18, subsections 1 and 2; then there is subsection 2 of clause 7 of this bill.

Mr. Fleming: In connection with the new section 18 (1), as the minister has pointed out the old section applied only to personal property. Now the scope of the section is enlarged to apply to all property except immovable property used in carrying on the business of farming. Would the minister enlarge upon his answer to the hon. member for Kamloops and indicate why the exception is made in that case? Does it arise out of the difference in the basis of depreciation with respect to farming?

Mr. Abbott: That is right.

Mr. Fleming: Does the minister anticipate any difficulty in the interpretation of the expression "property used in carrying on the business of farming"?

Mr. Abbott: Well, there may be some difficulty in the interpretation, but my hon. friend is right when he says the different treatment here is a result of the exclusion of those engaged in farming from the operation of the diminishing balance principle of depreciation.

Section agreed to.

On section 8—*Excess of proceeds over undepreciated capital cost.*

Mr. Abbott: I have an amendment to this section, which I will ask my colleague the Minister of Agriculture to move.

Mr. Gardiner: I move:

> That clause 8 be amended by renumbering subclauses (2) and (3) thereof as subclauses (3) and (4) and inserting the following as subclause (2):
>
> (2) Paragraph (e) of subsection three of the said section twenty is amended by deleting the word "and" at the end of subparagraph (i) thereof, by inserting the word "and" at the end of subparagraph (ii) thereof and by adding the following subparagraph thereto:
>
> "(iii) each amount by which the undepreciated capital cost to the taxpayer of depreciable property of that class as of the end of a previous year was reduced by virtue of subsection (1A)."

Mr. Abbott: This is a point which was overlooked in the new provisions.

Mr. Smith (Calgary West): I am quite content with it as long as you understand it, because I do not.

Mr. Abbott: I am giving no explicit assurance as to that.

Amendment agreed to.

Mr. Smith (Calgary West): I wanted to speak about this broad matter of the change we have made in our depreciation allowance. It will be remembered that when the minister spoke about it a year ago he was not too clear on just how it operated, but he did make the statement that it was a good thing for business. While far from being an expert, I have made some endeavour to understand this; and the opinions I have had from here and there are in pretty general agreement that this is a retrograde step in connection with depreciation. I realize that I should not say a thing like that without having some authority to support me, so I intend to read some short extracts from an article that appears in the February, 1950, issue of *The Canadian Chartered Accountant*. The heading is, "A long step backward. Diminishing balance depreciation." The writer is Kenneth F. Byrd, B.Sc. in economics, A.C.A., professor of accountancy at McGill university. He is a man who has had to look at these matters in various countries. On page 65 we find that he was born at Durban, South Africa, and his degrees and experience are given. He was dean of the faculty of commerce and administration at Natal university college, and was appointed professor of accountancy at McGill in 1947. He is a member of the Natal society of accountants and of the institute of chartered accountants in England and Wales. In this article this man, who obviously holds a very responsible position, does not pull any punches in what he has to say about what he calls this retrograde step we have taken. The article begins:

> For many decades North America has been recognized as the home of the straight-line method of depreciation, and Britain, just as definitely, has been regarded as favouring the reducing instalment or diminishing balance method. Here, as in so many other fields of accounting practice, the division between the two countries has been clearly marked. It does not seem, however, to have been equally clearly noted that, five years ago, Britain came to the conclusion—

I am anxious that the minister should listen to this part.

> —that her long clinging to the diminishing balance method was ill-advised and definitely harmful to the interests of good accounting.

He goes on as follows:

> The Institute of Chartered Accountants in England and Wales published on January 12, 1945, the ninth of its "Recommendations on Accounting Principles," dealing with the subject of depreciation. The recommendations included the statement that the straight-line method "is used almost universally in the United States of America and Canada and to a large extent in this country. Though other methods may be appropriate in the case of some classes of assets the balance of informed opinion now favours the straight-line method as being the most suitable for general application." As regards the reducing balance method, "also largely used in this country," it warns that the percentage applied needs to be from two to three times that applied under the straight-line method. This is a fact not generally realized, the consequence being that rates of depreciation fixed on this basis may tend to be inadequate.

Then the author mentions our lapse, as he calls it. He says:

> At last, therefore, it might be said that Britain and North America were of the same mind in regard to an important accounting method. Britain had come over to America's point of view. How definitely this was so may be seen in the following extract from a brilliant editorial on the subject, which appeared that time in *The Accountant*.

I need read only a short part of that editorial.

> The outstanding point that will at once catch the attention of every reader is that the time-honoured reducing balance system is now so thoroughly deposed from its former popularity that it is not admitted even to be a second-rate alternative.

The rest of the quotation from *The Accountant* is interesting, but I go on to quote the author again:

> Scarcely, however, has this happy unanimity become a fact, outstanding among the other accounting principles and practices about which the two countries still disagree, when Canada decides that, for income tax purposes, the diminishing balance method is not such a bad idea after all. Her Minister of Finance, seeking ways of taking into account for income tax calculation the losses through obsolescence—

I do not have to read any further, but I go on to another portion of the article:

> If, for income tax purposes, adoption of the diminishing balance method is the only means by which the income tax authorities can be induced to make any allowance for losses due to obsolescence, then, for these purposes only, the old, outdated method must be accepted. But surely this is not necessary. Normal obsolescence can be provided for by allowing a sufficiently generous annual depreciation rate on the straight-line basis, and it should be possible to allow for any abnormal loss at the time the asset is discarded.

The author then shows that South Africa did it by methods of that kind. Then, he comes back to the British experience. I am jumping a good deal of this, Mr. Chairman, but he says this:

> Now, why, oh, why does one country not show more awareness of what has been learned by long and bitter experience in another? It is a very clearly established fact that Britain has proved, by decades of use, that the diminishing balance method is wholly unsatisfactory.

Yet, Mr. Chairman, that is the method which we, in the face of the experience in

other countries, are adopting in our country. I should like to read just two short extracts from the last of the article:

> The serious thing about the proposed change for Canada is that it is a permanent shift from "straight-line" to "diminishing balance" depreciation.

The author goes on to call it a wolf in sheep's clothing, but I shall not bother about that. He concludes with this sentence:

> The immediate danger is that Canada may, in an ill-advised moment, lose the benefits which she has thus far gained from her long adherence to straight-line depreciation. Let her give heed to the experience of those who have learned that the "lazy accountant's friend"—

That is the name given to this method.

> —that the "lazy accountant's friend" is a wolf in sheep's clothing.

As I indicated at the beginning, I have not sufficient knowledge of this matter to discuss it intelligently, but I have brought as a witness a man who I think is outstanding, and who completely condemns the retrograde step we took last year. I have one other question to ask, and then I am going to sit down. I have not yet heard, it may be through my inattention, any reason why farmers and fishermen should have been granted the option of using the straight-line method or the diminishing balance method. I think it was covered by the Minister of National Revenue the last time the subject was discussed in the house, but speaking from memory, I have not heard why, in this instance, farmers and fishermen should be treated any differently from the man who has a little machine shop in the same town, where the farmer comes to get his work done.

Then I believe the farmer or fisherman had to make his choice within a given time. I suppose that time has now expired or is near expiration. I should like to hear from the minister, first as to what he thinks about this step we have taken, the retrograde step as I call it, or the long step backwards as this author calls it. I should like to hear about that, and then I should like to hear him answer this question. If it was a fair thing for the fishermen and the farmers, why was it not a fair thing to the small businessman?

Mr. Abbott: I read the article by Professor Byrd in the magazine to which my hon. friend referred. He is a professor of accountancy at my own university, and consequently, if for no other reason, a highly competent member of the staff. I am sure it represents his considered and genuine opinion as to the diminishing balance method of depreciation as against the straight-line method, but I am sure that Professor Byrd would be the first to recognize that there can be other opinions on this point. We would not assert for a moment that his opinion was necessarily conclusive. I can tell my hon. friend that there are a great many other persons, in whose judgment and technical capacity I have equal confidence, who have expressed exactly the opposite opinion to me. I may say that includes the chartered accountants association. As I say, it is a matter of opinion, and I am not going to attempt to impose my own opinion on the committee. I came to the conclusion that the provision set out last year was the preferable method in Canada, and the house adopted it. It is now law.

As to the reason why farmers and fishermen were exempted from the operation of the new principle, if the hon. member was in the house he will recall that almost all the farmer members rose and said that this was a terrible thing for the farmers; that they did not keep their books in such a way, or most of them did not keep their books in such a way, that they could readily calculate from year to year on this diminishing balance principle. Being a good-natured sort of a fellow, I did not want to impose on them something which seemed to be objectionable, so I excluded them from the operation of the act. I did make a statement at the time that I thought after they had studied it some of them might feel the diminishing balance principle might be advantageous. I just expressed that opinion. This year some of them seem to have changed their mind. Evidently some of them think that I was right because I have had representations since to the effect that they ought to be allowed to use this new method. So again, being good natured and always willing to listen to suggestions of this kind, I have put in a provision for that. The committee will see there is a provision in here which makes it optional. Once having exercised the option, of course you must stay with it. You cannot switch back and forth from one kind of depreciation to the other; but the option is there. Any small farmer who may find it difficult to keep records in such a way that he can operate on this principle, which apparently requires the keeping of slightly more detailed records, can continue on the straight-line basis. That was the reason for making the exception for farmers and fishermen.

Mr. Smith (Calgary West): May I follow up with some supplementary questions? I want to find out how far the minister will go with me. Do you agree with the professor that it has been in vogue in England for a

great many years and has now been discarded, and that it is not used in the United States? In fact, Canada is now the only place using it that I know of. Would that be right?

Mr. Abbott: I am told that that is not correct. They may have partially discontinued it in England. I cannot speak for certain as to that. That however does not prove anything.

Mr. Smith (Calgary West): If the professor says that—this man who guides your children and your children's children in your universities, and having the reputation you gave him—we would not suspect him of telling us an absolute untruth.

Mr. Abbott: No. But of course he might be mistaken.

Mr. Smith (Calgary West): The minister says he may be mistaken. He quotes the accountant in England in the article which he quoted from, where they say identically the same thing that he says. We may be bright enough to rake over some old bones and find some phosphorus or sulphur in them, if we work hard enough. But after all, is it not a fact—whether we are right or wrong; leave that out of the consideration—that we have launched out all by ourselves on something which other countries have discarded?

Mr. Abbott: That is not correct. Other countries have not discarded it, I am informed.

Mr. Smith (Calgary West): What other countries have not discarded it? South Africa has, Britain has, and the United States has. Who are they?

Mr. Abbott: I shall make inquiries and be glad to give my hon. friend a reply at an early date.

Mr. Smith (Calgary West): I shall be delighted to have it. I am sure the information will do me the world of good. But the thing will go on as it is now.

Mr. Fulton: I am interested in this matter also. One of the strongest arguments, it seems to me, in favour of abandoning this reducing balance method of depreciation is the extreme complication of it and the unintelligible legislation which it becomes necessary to place on the statute books in order to apply it. I am going to ask the indulgence of the committee to allow me to read paragraph (a) of subsection 1A of this section, so that it will be on *Hansard* and so that the people in the country will have an opportunity to see if they can understand this or not. It reads as follows:

[Mr. Smith (Calgary West).]

Mr. Abbott: Had you not better read the whole context? It is very hard to understand anything taken apart from its context, you know.

Mr. Fulton: All right. I will read subsection 1A.

Mr. Abbott: Good.

Mr. Fulton: It reads as follows:

(1A) Where one or more amounts are by subsection (1) required to be included in computing a taxpayer's income for a taxation year in respect of the disposition of depreciable property of a prescribed class and the taxpayer has, during the year but following the dispositions, acquired further depreciable property of that class, notwithstanding subsection (1) and paragraph (e) of subsection (3), the following rules are applicable:

(a) if the aggregate of the amounts that would, according to the terms of subsection (1), be included thereunder in computing his income is equal to or exceeds the amount that would, according to the terms of paragraph (e) of subsection (3), be the undepreciated capital cost to him of depreciable property of that class at the end of the year before any deduction is made under paragraph (a) of subsection (1) of section 11 for that year,

(i) the amount to be included in computing his income for the year under subsection (1) in respect of dispositions of depreciable property of that class is that aggregate minus the amount that would be that undepreciated capital cost, and

(ii) the undepreciated capital cost to him of depreciable property of that class at the end of the year is nothing;

An hon. Member: It does not mean anything.

Mr. Fulton: My hon. friends to the right and left are remarking that it adds up to nothing, as far as their understanding is concerned. There is more, but I shall not read it all. It is all equally incomprehensible.

Mr. Sinclair: Except to clever lawyers.

Mr. Fulton: I would not care to make any distinction as to that. I recall, however, that last year the Minister of Finance, whom we all regard as a clever lawyer, was quite candid in confessing that he was not able to explain it and he would not venture to undertake an explanation.

Mr. Abbott: Oh, no. Wait a minute. I have been waiting for a long time to say something about that one. I never said that I could not explain the section in the act. What I did say was that I was not an accountant and that no one should expect me to explain the technical operation of any method of depreciation; although I think perhaps I could do it if I had to.

Mr. Fulton: I think the minister will agree that he went very far. As I recall it, he said that he felt it was not clear or that he was unable to make it clear—

Mr. Sinclair: To laymen.

Mr. Abbott: Yes, to laymen.

Mr. Fulton: That he was unable to make it plain.

Mr. Abbott: To laymen.

Mr. Fulton: It is not very clear to many people. As I say, I am not going to try to draw any distinction between who may be clever and who may not be. I will leave that to the parliamentary assistant. But there are many accountants throughout the country, as well as lawyers, who have suggested that this is not only a difficult section or provision to interpret but in fact, as the hon. member for Calgary West has pointed out, is a retrograde step.

Referring again to this magazine *The Canadian Chartered Accountant,* it is true that the minister pointed out that Professor Byrd's opinion expressed in that article in the February issue is his opinion; but in the same issue there is a letter from the committee on accounting and auditing research of the Dominion Association of Chartered Accountants, which does surely refer to the official opinion of the chartered accountants' organization in Canada.

Mr. Abbott: They come to see me. The association send their delegates each year, and I know that my hon. friend will accept my assurance that they not only tell me they have no objection to these measures but they have approved them.

Mr. Knowles: Do they understand them?

Mr. Abbott: I think they understand them very well indeed, if I may say so.

Mr. Fulton: They certainly have objection to the regulations.

Mr. Abbott: They are paid to understand them.

Mr. Fulton: I enjoy these interchanges but perhaps I might be allowed to continue what I have to say. They certainly have objection to the regulations which have so far been worked out or applied in the enforcement of this system, because this is a copy of a letter dated Toronto, February 9, 1950, addressed to the Minister of Finance objecting to certain of the regulations applying this diminishing balance principle. What I want to do particularly is to reinforce what the hon. member for Calgary West has said to the effect that this diminishing balance system of depreciation has been abandoned in the United Kingdom. In that connection I would rely on the authority of an article in an earlier copy of *The Canadian Chartered Accountant,* the October issue, which the library of the Department of Finance has just been kind enough to lend me.

Mr. Sinclair: Good.

Mr. Fulton: This is an article by Mr. B. H. Binder, immediate past president of the Institute of Chartered Accountants in England and Wales. At pages 150 and 151 of this magazine Mr. Binder points out that with respect to buildings or structures, with respect to machinery and plant, and with respect to farm buildings, the British government under their latest finance and income tax act have abandoned the diminishing balance principle and have gone on the straight-line depreciation principle.

Here is what it says at page 150 with regard to machinery and plant category:

> As regards the annual allowances, rates of wear and tear on a percentage basis have been agreed with the inland revenue in respect of most classes of machinery or plant.

To show the method of computing he says at page 151:

> The usual method of computing annual wear and tear is what is termed the reducing balance method. In other words in ascertaining the wear and tear for any year the agreed percentage is calculated on original cost progressively reduced by each allowance. In some cases, particularly ships and commercial aircraft, the straight-line method is adopted, that is the annual allowance is calculated at a percentage of the original cost. This latter method can now, by arrangement with the inland revenue, in accordance with the terms of the Finance Act 1949, be extended to any machinery or plant, but the percentages are subject to negotiation.

So that in the United Kingdom all machinery and plant can now be placed on the straight-line depreciation basis, although formerly the diminishing balance applied to all that type of equipment. With respect to new farm buildings we find the following:

> Where the owner or tenant of any agricultural or forestry land incurs capital expenditure after the 6th April, 1944, on the construction of farm houses, farm or forestry buildings, cottages, fences or other works for the purposes of husbandry or forestry, an annual allowance is granted at one-tenth of the expenditure, thus writing off the expenditure in ten years.

In other words, straight-line depreciation. Then, as I pointed out in connection with ordinary industrial buildings or structures, the same principle now applies in the United Kingdom. In other words, the diminishing balance principle has been replaced by the straight-line depreciation.

Mr. Sinclair: Has the hon. member studied Mr. Gavsie's article in the same issue?

Mr. Fulton: I have read it.

Mr. Sinclair: That gives the Canadian position pretty clearly.

Mr. Fulton: The Canadian position, I think we agree, is that the diminishing balance system is now applied.

Mr. Fleming: The government's.

Mr. Fulton: Yes, the government's position, for reasons which are given. Mr. Gavsie, who is an official of the Department of National Revenue—

Mr. Abbott: A very able official.

Mr. Fulton: If my hon. friends on both sides of the house would permit me they would find that I was prepared to pay him a compliment, but they rush in ahead of me. He is, as I was going to say, an extremely able and competent official. I say that although he is sitting in front of the minister at the present time. But Mr. Gavsie would hardly be expected to give a view different from that view which is being implemented in the legislation brought down by his minister.

Mr. Fleming: He probably wrote the section.

Mr. Fulton: The only thing we would expect Mr. Gavsie to do would be to explain in precise terms, which he has done, the reasons why they worked out this system and why they are applying it in Canada. As I understand it, that is all he is doing. You would not expect him to do anything else.

The point, Mr. Chairman, is this. The United Kingdom has abandoned this method. Accountants of repute have stated it to be an outmoded method, and it is a retrograde step. The association of chartered accountants of Canada have written to the minister protesting the regulations under which this new method is being applied, and some of the practical applications of this reducing-balance method that need to be modified.

I have an illustration given here, and having dealt with the general situation I should like to ask the minister whether he can explain to me how such an example can fail to result in hardship to the taxpayer. Take the case of a taxpayer who purchases a building for use as a place of business in 1949 for $2,500 and sells it in 1959 for $10,000, which, with the current upward movement of prices of buildings and sites, generally, is not an out of the way proposition. From 1949 to 1959 he will have claimed and been allowed depreciation on a presently unknown rate for ten years—this was written before the regulations were published. The rate is now known —totalling say, $1,500. What is that $1,500, excess depreciation? It is submitted that it is not excess depreciation, but a legitimate charge to profit and loss; but the $7,500 which he sells the building for over and above its original cost is in fact a measure of the increased purchasing power of the taxpayer's original $2,500 and the additional value that he has effected by increasing the location value of the building as a site for that particular type of business. But, Mr. Chairman, under the recovery provisions of this diminishing balances principle the taxpayer will be taxed not only on the recaptured depreciation of $1,500 which has been allowed, but on the capital gain of $7,500.

Mr. Abbott: No.

Mr. Fulton: The minister shakes his head. The shake of his head will not appear on *Hansard*.

Mr. Abbott: I will answer my hon. friend in a moment. He is completely wrong. The only amount that can be recaptured under the conditions he has given would be the capital cost allowance he has taken of $1,500; and in virtue of the amendment we have to this act that would be spread over five years.

Mr. Fulton: When the minister was questioned on this matter last year, he answered, as I recall, that the capital appreciation would be taxed under this new system.

Mr. Abbott: No, Mr. Chairman. I am positive I never made any such statement. I could not.

Mr. Fulton: Then I take it that the increase of $7,500 over the capital cost will be tax free?

Mr. Abbott: May I answer my hon. friend on that point now? The hypothetical case which he has made is this. A man buys a property for $2,500 at a given time. He sells it x years later for $10,000. In the meantime he has written off as a capital cost $1,500. Now, in fact he has not lost the $1,500; he has got that $1,500 and he has got a capital profit on top; but he will be obliged to bring back into income the $1,500 that he has written off for capital cost, but which in fact he has not lost; and under an amendment which I am introducing to this act he would spread that $1,500 over five years, if he were an individual.

Mr. Fulton: I can see that I was wrong about the $7,500 aspect of it. I can see that clearly now. With regard to the $1,500, is it to be taken that this taxpayer has suffered no possible depreciation?

Mr. Abbott: It has suffered no capital depreciation, because the only justification enabling a taxpayer to take depreciation from current income is on the assumption that in fact the value of his property has gone down; but if on the contrary it has gone up, he is not entitled to depreciation. The building would unquestionably be ten years older, and the bricks may have a slightly more mellow colour, but if he is able to sell it for $10,000 it is quite clear

that he has not taken any capital loss, and the depreciation which a man charges to income for depreciable assets is in fact a capital charge, and it is intended to reimburse him for his capital outlay. If in fact he has not lost any capital then he should not have charged it to income, and that is the basis of the recapture principle.

Mr. Fulton: That seems to me to do what in fact this other article to which reference has been made said the department was doing, namely, setting up an entirely new basis for depreciation, not merely changing the method of calculating depreciation, but changing it from the straight line basis, to a diminishing balance basis, but in fact setting up a totally new concept of depreciation. Is not that so?

Mr. Abbott: Well, I concede to my hon. friend that it is undoubtedly a very complicated subject; but whether it is straight line depreciation, or whether it is on the diminishing balances principle, what you are doing is amortizing the capital cost. That is the fundamental principle of depreciation. The only difference in the act now is a difference in method, and the difference in method is that instead of a straight line method of applying five per cent, ten per cent or fifteen per cent, or whatever it is, over the period of years in which depreciation is exhausted, you start off with the same capital cost. You depreciate at a higher figure in the early years, and then you work down until it arrives, theoretically, at nothing. Of course, if you are on a percentage basis you get down to a fraction of a dollar; but, in effect, it will be nothing.

However, there is no difference in the principle of taking depreciation under either system. It is a process of amortization of a capital expenditure, a recognition of the principle that you should not pay tax on something which is going to disappear. That underlies the whole basis of depreciation.

On the other point I readily recognize that the provisions of this section are extremely complicated and extremely difficult for the average layman to understand, and even for the lawyer to understand. As I said at the outset of my remarks, one reason why they have to be lies in the fact that we have eliminated discretions here. Of course it would be very simple to make a short and easily understood section by saying, "in such amount as the minister may determine,"—and that was the system we used to have.

This amendment is a relieving measure. If you purchase additional assets of the same class you can group them and, instead of having to pay tax on the excess portion of depreciation which, in fact, has not been needed, you are getting accelerated depreciation on your new assets. And the second group, group B, covers the case where there has been less.

It is long and complicated but, in defence of the draftsmen, chief of whom was the assistant deputy minister of justice, for whom I have high regard as a draftsman, I do think that it fully and clearly and accurately sets out the contingencies which have to be met. I cannot say anything further about the drafting.

I freely confess I had to study it pretty carefully before I realized how it operated; but I did finally come to the conclusion that it would cover the case to which I have been referring. It is, as I say, a relieving measure which has been requested by outsiders as being an appropriate amendment to make to the act.

Mr. Fulton: What does the minister say in answer to the specific question raised by those who disagree with this method, that it distorts altogether the actual rate of depreciation, making it much too high in the earlier years and too low in the later years?

Mr. Abbott: In my view it comes much closer to the actual facts. Take the case of the ordinary motorcar. Everyone knows that in the initial year the car depreciates more than it does on the straight line basis. It depreciates up to 30 per cent right away. That is why I believe—and I may believe it wrongly—that the diminishing plan principle, where you have a higher percentage in the earlier years, is a fair principle.

Mr. Fulton: The minister has picked out one particular category to illustrate his proposition, and his illustration is not sound. For instance, let us consider industrial plant machinery, where it is generally agreed that new equipment and machinery installed in a plant in fact does not reach maximum output and a level of peak efficiency for perhaps two years after the machinery has been brought into use; whereas, under this reducing plan method the depreciation in the first year is very great, and in the second, third and fourth years it is considerably less. The fact is that the machinery is more valuable to the industry after the second year's operations, when the kinks have been ironed out, and the new product has found its market.

It seems to me that there is a good case, an almost unanswerable case, for those who say that if you take a straight line method of depreciation it will give you a picture while not exactly parallel, nevertheless much

closer to the actual rate of depreciation or obsolescence of the machine than this new diminishing plan would.

Mr. Abbott: Well, it is a matter of opinion. I have expressed the view that in my opinion, and in the opinion of the government, this is the better and fairer system. There was a good deal of pressure during the war for us to give accelerated depreciation in respect of various businesses. In a sense this is a form of accelerated depreciation, because you get the depreciation more quickly in the earlier years than in the later years.

Mr. Fulton: I will make one final comment. What the minister has said seems to me to prove that here we have a case where a few particular circumstances will be suited by this method, but that it will be unsuitable to the great majority of cases. It is true that under special circumstances it was thought necessary to give accelerated depreciation, but that was a special procedure worked out to fit special cases in wartime. In the same way that accelerated depreciation is not necessary in the normal run of cases I submit that the diminishing balance method is not suitable now. I say this is a wrong principle which will fit only a few special cases, but that the straight-line method is still of much more general application throughout the country.

Mr. Macdonnell (Greenwood): Mr. Chairman, I am not going to take the time of the committee to discuss the merits of these two types of depreciation. But I do wish to say a word really by way of repeating what I said last autumn, that we are here in this second session, confronted with regulations, and no one has had an opportunity to say a word about them. We get a detail here or there; but it all comes to us as something over and done. We have had it pointed out this afternoon that we are in what seems like an invulnerable position. We are talking about a type of depreciation which has been abandoned in Great Britain.

Mr. Abbott: Only in part. It was only on a certain class of assets.

Mr. Macdonnell (Greenwood): I accept the correction. Last autumn I pointed out that we were left in an absurd position, and we were told we had to pass the legislation before the regulations could be made. When I say that I am looking at page 2729 of *Hansard* for last year.

Here we are again, in another session, and again we have no chance, as a parliament, to consider this matter except in this haphazard fashion. As a matter of fact, it would look as though the institute of chartered accountants, who are no doubt very worthy people, are making the law, and not parliament. I would be the last one to deny that they have much more technical knowledge about this sort of thing than we have. But I say again that we are here, not as technicians, but as people who are supposed to have common sense. Often it takes the mind of the layman to decide these matters.

That is my complaint. We never have had an opportunity. We may have something to say about it, but we have not yet; and, so far as I can see, we shall have no opportunity now. That is wrong. I think that opportunity should be afforded, and I am voicing my complaint again.

Mr. Fleming: This matter has been discussed fully, and I do not propose to extend the discussion in respect of the two theories, except to make a brief comment on the approach to the question. The minister has referred to representations he received from the Dominion Association of Chartered Accountants, in which he intimated that approval had been given by that association to the diminishing balance method.

I have before me a copy of *The Canadian Chartered Accountant* for April of this year in which, at page 175 and following, there appears the text of recommendations in relation to the income tax legislation which were submitted to the minister by the taxation section of the Canadian Bar Association, and the legislative committee of the Dominion Association of Chartered Accountants.

I shall not read at length from these recommendations, except so far as may be necessary to illustrate what seems to be something very important. This relates directly to the last remarks by the hon. member for Greenwood. The subject of a better method of calculating depreciation cannot be dealt with on the basis of legislation alone. The regulations are just as important as the terms of the Income Tax Act itself in debating whether we have now a better or worse method than we had before. In the opening paragraph of this submission those submitting the recommendations draw attention to the fact that while for purposes of taxation the new diminishing balance method appears to have been well designed to provide fair treatment for taxpayers with some exceptions, nevertheless they go on to point out that for accounting purposes this method in comparatively few instances is considered to be appropriate. Then they proceed to say:

> . . . if the introduction of that method for taxation purposes has the effect of causing taxpayers to abandon proven methods of depreciation accounting hitherto adopted consistently for purposes of determining profits for the information of shareholders

and proprietors, then the law and the regulations issued thereunder are objectionable and should be repealed.

Then the submissions which follow attack some of the regulations issued under the section of the act passed last year. It is true there are some sections of the act which are under attack in this submission but it is the regulations that, from the point of view of accounting purposes, are at this point under the attack of these people who have knowledge both of the law and of the best accounting practices. The minister has not made reference in detail to any of the regulations. I shall mention regulation 1100(4), which is under strong attack by the taxation section of the Canadian Bar Association and the legislative committee of the Dominion Association of Chartered Accountants. I shall read one or two observations on page 175. One comment reads:

In operation, subsection 4 will force one group of taxpayers, namely limited companies, to make a choice between either violating sound accounting procedures or depriving themselves of the right to allowances which the regulations are designed to give to them. It is no misstatement of fact to say that only a company that adopts unsound accounting practices will be in a position to take full advantage of the allowances granted under the regulations.

One could read further similar expressions which follow. Again speaking of regulation 1100(4) the submission reads:

For years the accounting profession throughout the world has been striving to develop sound accounting practices which will present business operations in the fairest manner possible. That a tax regulation should be the instrument whereby much of the progress already made in Canada should be nullified is surely contrary to the public interest. Yet, if subsection 4 is to remain in the regulations, such will inevitably be the result.

It is paradoxical that a measure which was supposed to "mean a great improvement over the old system and . . . a further step towards greater simplicity in our system of taxing business profits," and which would "likewise be more equitable to the taxpayer and to the treasury" should in fact, because of the inclusion of section 1100(4) produce precisely the opposite results for all incorporated taxpayers.

Then the submission recommends that subsection 4 of regulation 1100 be deleted.

In the second place, in regard to the provision for recapture, section 20, subsection 1, their recommendation is that the section be reworded to relate the calculation of the amount recaptured to the undepreciated capital stock at the end of the year in which disposition takes place.

Mr. Abbott: That is covered by this amendment. My hon. friend will appreciate that that recommendation is dealt with in this amendment.

Mr. Fleming: Then they go on to deal with a number of other regulations. It comes down to this, Mr. Chairman, that actually there are very few members of the house who have had the technical experience to arrive on their own account at a final conclusion with respect to the advantages of one method over the other. Nevertheless members of the house are capable of forming opinions, because they are doing so all the time, based upon submissions made to them by those who have had experience and have made a detailed study that will so qualify them. I urge upon the minister that at some stage, and I hope relatively soon, an opportunity be given through the medium of a committee—possibly the banking and commerce committee would be the most appropriate one—to review this question and to receive representations and the assistance of considered views from such well qualified bodies as those whose submissions I have just been reading.

Mr. Abbott: I thank my hon. friend for his comments. The amendment suggested by the accountants and the bar association to section 20 (1) is incorporated in the bill. Discussions with respect to regulation 1100 (4), as indicated by the Minister of National Revenue in a statement in the house on the 28th of March, have been proceeding with the department for some time. I am informed that an amendment to the regulation has been pretty nearly completed, and will probably be announced within the course of the next week or ten days. I merely add that the representations to which my hon. friend has referred have been followed up with the Department of National Revenue, and I think that appropriate amendments to the regulation are now being drafted.

Mr. Fleming: I do not wish to press the minister on the subject of regulations before they have been promulgated. May the committee infer that the amendments intended to be made in regulation 1100 (4) will meet the criticisms contained in this submission?

Mr. Abbott: I would hope so, yes. That is what they are intended to do.

Section as amended agreed to.

Section 9 agreed to.

On section 10—*Charitable donations.*

Mr. Adamson: I should like to ask the minister a question about section 10, the charitable donations clause. The explanatory note merely states:

The new paragraph (aa) allows for the deduction of gifts to His Majesty in the right of Canada without limit.

Is that the sole intention of the new section?

Mr. Abbott: This amendment is intended to tie in with a substantive amendment to the law relating to gifts to charitable organizations and charitable foundations which will be found in section 21 of the bill. I have a proposed amendment to section 21 somewhat enlarging the language thereof which I shall explain when we reach that section. There is a consequential amendment which will be needed to section 10 in order to conform with my proposed amendment to section 21, the main section dealing with the new arrangements concerning charitable organizations. I will ask one of my colleagues to move:

That subclause (1) of clause 10 be amended by inserting immediately before the words "His Majesty" in paragraph (a) of subsection (1) of section 26 of the act the following words:
"corporations resident in Canada and exempt from tax under this part by paragraph (eb) of subsection (1) of section 57."

Mr. Fournier (Hull): I so move.

Mr. Abbott: I may say there are two classes of charitable organizations under the section to which I refer, and they come under the headings "(ea)" and "(eb)". I have no doubt they will be known as "ea" charitable organizations and "eb" charitable organizations.

Mr. Fleming: We shall have a full discussion on that?

Mr. Abbott: Yes, I want to go into that quite fully because I think we are proposing some very interesting amendments.

Amendment agreed to.

Section as amended agreed to.

On section 11—*Dividends from controlled resident corporation.*

Mr. Macdonnell (Greenwood): I want to ask the minister what the reasons are for the strict limitation in this section. You will observe that the section applies to cases where control of one company is acquired by another after May 4, and provides in effect that dividends paid by company A are tax free in the hands of company B only to the extent that they are paid out of income earned by company A after the date when control was acquired by company B. I have one or two suggestions to make. Perhaps first of all the minister might explain why there is this apparently strict limitation as to time and also as to company relationship.

Mr. Abbott: I will have an amendment moved making the date May 10 rather than May 4, because May 10 was the date the bill was actually available to hon. members, though it was given formal first reading on May 4. As the committee will appreciate, this is a new section inserted in the act in order to prevent the transfer of control of one company to another, thereby obtaining the surplus of the first company by a tax-free dividend to the second company and in that way avoiding the tax. As lawyer members of the house may be aware, there are a number of ways to legally avoid the payment of income tax with respect to that accumulated surplus. We are not going to interfere, of course, with any arrangements or contracts that may have been made in the past, but for the future it will not be possible to acquire control of a company which has a large undistributed surplus and then, by various legal means, distribute that surplus to the shareholders of the new company without personal income tax being paid on it.

The corresponding provision, of course, which makes that a fair arrangement is that under the other section we will in future permit the shareholders of a corporation which has a large undistributed surplus, which would be subject to personal income tax if distributed, to capitalize that surplus by paying a flat rate of 15 per cent as indicated in the resolution, and thereafter distribute it without the payment of tax. But this is a blocking provision, to prevent in future the reorganization of companies in such a way that accumulated surpluses of this kind can be obtained free of tax. The amendment to which I referred is as follows:

That subclause (1) of clause 11 be amended by inserting at the end of both subparagraphs (ii) and (iii) of paragraph (b) of subsection (1D) of section 27 of the act the following:
"to the extent that they are not, for the purpose of subsection (1A), deemed to have been paid out of designated surplus."
and that subclause (2) of clause 11 be amended by substituting May 10 for May 4 in line 43.

Mr. Fournier (Hull): I move accordingly.

Amendment agreed to.

Mr. Macdonnell (Greenwood): I would refer to the suggestion I made to the minister when we were looking at section 2, and I suggest now that he might deal further with the provisions with regard to the undistributed incomes, dealing with the distinction between the way individuals are treated and the way in which, to some extent at any rate, corporations are treated. I want to come back to the limitations of section 11, but if the minister would care to make a statement covering the difference in treatment as outlined in this section I think it would be helpful.

Mr. Fleming: If the minister is going to accede to the suggestion of my hon. friend may I suggest that it would contribute greatly to the understanding of the committee if the minister would take it in various stages, as it seems to me no one can hope to appreciate

the full implications of section 11 unless at the same time he has regard to those very lengthy new provisions in sections 73, 73A, 73B and 95A, to be found in clauses 25 and 32 of the bill. I think the simpler the approach the better, and perhaps in order to assist the committee the minister would deal with the position created by these amendments first of all—

Mr. Abbott: I wonder if my hon. friend would permit me to interrupt him. As he was speaking it occurred to me that consideration of this question might be facilitated if we allowed this section to stand until we reach section 73 and possibly section 95A, to which he has referred. If my hon. friend and the committee think that would be helpful I should be glad to follow that course. I think it might be helpful; with this reservation, that we might pass the amendment, and then we can consider the section as amended after we have discussed the other sections mentioned.

The Acting Chairman (Mr. Lesage): The amendment has been carried. Shall the section stand as amended?

Section stands.

Section 12 agreed to.

On section 13—*Two fiscal periods end in same taxation year.*

Mr. Abbott: I have an amendment to this section the purpose of which I might explain before asking one of my colleagues to move it. It adds section 34B following section 34A. As I mentioned in discussing this matter in reply to some questions asked by the hon. member for Kamloops, in the case of the sale of real estate by an individual with the recapture clause coming into operation, it might well prove inequitable if the entire recapture had to be taken into the individual's income tax return in the one year, because of the graduated scale. So I am proposing in section 34B that this amount, whatever it may be, can be spread over a five-year period. It is pointed out to me, of course, that the recapture clause applies only for 1949 and subsequent periods. That is the principle of the new section, and I think the committee will agree that this is a desirable provision to put in the act.

Mr. Gibson: It does not go backward and forward; just the one way?

Mr. Abbott: No. This is a relief provision, and it just goes backwards. The amendment reads:

That subclause (1) of clause 13 be amended by substituting the word "sections" for the word "section" in line 12 and by adding the following section within the quotation marks:

"34B. Where an amount is included in computing an individual's income for a taxation year by virtue of section 20, he may elect to pay, as tax for the year under this part, in lieu of the amount that would otherwise be payable, an amount equal to the aggregate of

(a) the tax that would be payable by him for the year under this part if no amount were included in computing his income for the year by virtue of section 20, and

(b) the aggregate of the amounts by which his taxes under this part would have been increased if $\frac{1}{5}$ of the amount so included by virtue of section 20 had been included in computing his income for each of the 5 immediately preceding taxation years."

and that subclause (2) of clause 13 be deleted and the following substituted therefor:

"(2) Section 34A of the said act as enacted by subsection one is applicable to the 1950 and subsequent taxation years.

(3) Section 34B of the said act as amended by subsection one is applicable to the 1954 and subsequent taxation years.

(4) The said section 34B is applicable to the taxation years 1951 to 1953 inclusive but

(a) when so applied for the year 1951 shall be read as though the fraction "$\frac{1}{2}$" were substituted for the fraction "$\frac{1}{5}$" where it appears therein and the number "2" were substituted for the number "5" where it appears therein;

(b) when so applied for the year 1952 shall be read as though the fraction "$\frac{1}{3}$" were substituted for the fraction "$\frac{1}{5}$" where it appears therein and the number "3" were substituted for the number "5" where it appears therein; and

(c) when so applied for the year 1953 shall be read as though the fraction "$\frac{1}{4}$" were substituted for the fraction "$\frac{1}{5}$" where it appears therein and the number "4" were substituted for the number "5" where it appears therein."

Mr. Fournier (Hull): I move accordingly.

Amendment agreed to.

Section as amended agreed to.

On section 14—*Dividends.*

Mr. Abbott: I have a little amendment here, to add a few words, as follows:

That clause 14 be amended by adding the following words to subparagraph (i) of paragraph (a) of subsection (1) of section 35 of the act:

"to the extent that the dividends so received or so deemed to have been received, as the case may be, were included in computing his income for the year,".

Mr. Fournier (Hull): I move accordingly.

Amendment agreed to.

Section as amended agreed to.

Sections 15, 16 and 17 agreed to.

On section 18—*Income of resident from a foreign country in blocked currency.*

Mr. Abbott: There is a small amendment to this section, as follows:

That clause 18 be amended by inserting after the word "whatsoever" in line 17 but before the comma the following words:

"other than payment of income tax to the government of that other country on income from sources therein."

Mr. Fournier (Hull): I move accordingly.

Mr. Abbott: That was a point we overlooked.

Amendment agreed to.

Mr. Macdonnell (Greenwood): The minister has beaten me to it on that point, but I suggest another point still remains. I think the section is far too harsh or negative in saying that the minister's discretion does not exist if any of the income for the year, from sources in that country, has been transferred to Canada or used by the taxpayer for any purpose whatever. The minister has covered that. But why, if a man has, let us say, an income of $50,000 from Britain and is able to transfer $1,000 or $10,000 to Canada, should this provision then fall to the ground? It is not apparent to me at all.

Mr. Abbott: We have been eliminating the ministerial discretion here, and I am informed that the minister does not want to exercise a discretion as to the portion of the taxpayer's income. If by reason of restrictions in the other country he has to leave it there, or part of it there, then any tax is postponed, and there is no interest penalty. But if he brings in a large part he has to use what he brings back for the payment of tax, *pro tanto*, and if it is not enough he will have to find the rest elsewhere.

Mr. Macdonnell (Greenwood): I am not satisfied that is the whole answer. I am not advocating a wide open discretion for the minister, but the minister has not always been of such a shrinking nature. He does not need to have this discretion limited to the extent that (a) now limits it. It says that if any income is transferred at all, then the minister's discretion is taken away. Surely that is making it nugatory.

Mr. Abbott: I must say that I do not know that I would agree with my hon. friend there. Conditions in other parts of the world are such that it is difficult, sometimes impossible, to transfer money to Canada. This is a new subsection in the act to provide relief which has never existed before. It seems that this is as far as we can properly go. You cannot split the income up into two or three different sections if he brings some of it in, because his tax liability is determined on his total income, and his rates are determined on that basis. The policy we have followed here is that the income is included for the purpose of arriving at the rates, and the tax liability with respect to the foreign income which cannot be brought into Canada is postponed. There is no interest on it. The taxpayer has a valuable option there, and it seems to me that is fair enough.

[Mr. Abbott.]

It has been pointed out to me that if cases of real hardship arise, they will have to be dealt with as special cases, which can only be done by the use of section 33 of the Consolidated Revenue and Audit Act.

Mr. Fleming: With the objective of the section as stated by the minister, I am sure there should be general agreement. The problem arises, however, with the case stated by the member for Greenwood. My submission to the committee, and to the minister, is that in that case the effect of this section is harsh and restrictive. If the stated objective is sound, and I do not think there can be any question about that, then the detailed requirements that follow at the end of the new subsection 7 are unduly harsh and restrictive. The minister says such a case would be a special case for remission under section 33 of the Consolidated Revenue and Audit Act. The cases that will be remitted under that procedure I am sure will be quite rare; but the cases of the nature stated by the member for Greenwood may be numerous. I would respectfully urge, Mr. Chairman, that the minister retain this section a while longer. Perhaps we could pass over it in the meantime, and come back to it later to give the minister an opportunity of considering the matter. It seems to me there is much merit in the suggestion put forward. We are in agreement upon the objective of the section as stated by the minister, but we do urge that, if the section is passed in its present form, there will arise under it many hard cases that will be denied the remedial intent of the section. I suggest that the minister give the matter consideration.

Mr. Abbott: This is a new section, and we gave it a good deal of consideration. We feel that this is as far as we should go at the start. We will try it this year. We would like to see how it works, and to see some of the cases that would come up under it. If the hardship my hon. friend fears exists, we could amend it next year. If the house had no objection, although to do so is bad in some ways, we might do it retroactively.

Mr. Macdonnell (Greenwood): The minister might let us have a crumb from the table. We have not had any concession of any kind so far. He is putting the taxpayer in a difficult position. A man using some of that income, or bringing some of it into Canada, loses this exemption. If the minister had given some other reason, I do not think I should have had the courage to stand up again. The reason was so very much less convincing than it might have been that I am encouraged to ask the minister to reconsider.

Mr. Abbott: I can only assure my hon. friend that I shall look at the section again next year.

Section as amended agreed to.

On section 19—*Evasion of tax.*

Mr. Campney: I should like to suggest to the minister that the word "wilfully" be changed to "fraudulently". As I understand the state of the law, tax evasion is not necessarily illegal. If a man has been able to take advantage of a tax concession granted by law, then it may be an evasion but not an illegal evasion. For instance, if a taxpayer owns a company which does not enjoy the tax concession in respect to its first $10,000 of earnings and sells part of his shareholdings to bring himself within the tax concession, that is legal. I do not see how any tax can be evaded unless it is wilful, in the sense of being intentional. It has to be intentional. But it is not therefore necessarily wrong or illegal. I do not think the word wilful is a word that has been clearly determined in law, but I think "fraudulent" has. No one objects to the intent of the clause under consideration, but I think a real intent to evade the tax must be proven, and the wording should so indicate. I would suggest that "fraudulently evaded" is the phrase that should be used. In law "fraudulent" has long had a clear and well known interpretation. In a section of such serious import I question the advisability therefore of using new words which might be interpreted in a way that would not agree with what I believe the minister intends, namely, that the section should deal with fraudulent evasion of tax payments.

Mr. Abbott: I thank my hon. friend for his suggestion. I asked about this myself, and the Department of Justice used this language. They asserted that it should be done because the word "wilful" is the word used in section 120, subsection (3), which reads:

> Where a person has been convicted under this section of wilfully, in any manner, evading or attempting to evade, payment of taxes imposed by part I, he is not liable to pay a penalty imposed...

It was felt by the Department of Justice in drafting this bill that the same language should be used in this section as had been used in section 120, subsection (3). It was felt that "wilfully" in this case could be interpreted in no other way than "fraudulently".

Mr. Adamson: I hope the minister will consult with the Minister of Transport, because I tried to get this word "wilful" inserted into the Aeronautics Act, in connection with a regulation concerning the printing of regulations. The member for Vancouver-Quadra and I had quite a battle in the committee trying to get this word "wilful" inserted in that section. I am afraid we were unsuccessful. Our point was about the same as the one here, that in order to break the law a man must know he is doing it, and he must do it intentionally.

Mr. Gibson: Is not the governing word actually "evade"?

Mr. Abbott: I would think so, yes.

Mr. Adamson: No.

Mr. Macdonnell (Greenwood): That is a dangerous word.

Mr. Ferrie: This word "wilfully" has to be decided by the courts.

Mr. Abbott: Yes, quite. It is a matter for determination by the courts.

Section agreed to.

On section 20—*Renumbering.*

Mr. Abbott: I have a minor amendment here. This is the section which provides that an appeal may be taken straight to the exchequer court. The reason for that of course is that in important cases the taxpayer may feel that he is going to the exchequer court anyway, no matter what the decision of the income tax appeal board may be, and it is desirable to save time. It was thought that it would be well to give the taxpayers who have now pending before the income tax appeal board appeals which have not been heard a similar privilege. The amendment is to accomplish that purpose, and I would ask my colleague if he would so move.

Mr. Fournier (Hull) moved:

> That clause 20 be amended by adding thereto the following:
>
> "(2) Where a taxpayer has, before the time this Act came into force, appealed to the income tax appeal board, if, within 90 days of that time and before that appeal has been heard,
>
> (a) he has served on the Minister of National Revenue a notice that he is discontinuing the appeal and has forwarded a copy thereof to the board, and
>
> (b) he has served upon the minister a notice of appeal to the Exchequer Court of Canada that complies with all requirements of division J of The Income Tax Act,
>
> he shall be deemed to have appealed to the exchequer court under subsection (2) of section 55 of The Income Tax Act as enacted by subsection (1) and shall be deemed not to have appealed to the income tax appeal board."

Amendment agreed to.

Section as amended agreed to.

On section 21—*Certain organizations.*

Mr. Abbott: This is a section which I am sure will be of interest to all hon. members. Before we discuss it perhaps I might say just a word about it. There is an amendment to be made, but before I indicate what that amendment is I would point out the

general purpose of the section. The present section in the act which exempts from tax the income of certain charitable organizations —and it is section 57 which exempts from tax various types of organizations—reads as follows:

(e) an organization operated exclusively for charitable purposes or an agricultural organization, a board of trade or a chamber of commerce, no part of the income of which was payable to, or was otherwise available for the personal benefit of, any proprietor, member or shareholder thereof.

The committee will appreciate the fact that over the years there have been built up various types of charitable organizations including those known as the so-called charitable foundations—the Massey foundation, the Canadian foundation and so on—where capital gifts are made to the foundation, where sometimes income is paid in and where the moneys appropriated are used for charitable objectives, given to hospitals and the like to be expended. In the past it is questionable whether those organizations have been clearly entitled to the exemption. I am sorry to say that in addition there has been an opportunity for abuse in the case of these charitable foundations; that is to say, moneys could be accumulated in them and not actually paid over to charities. Then the charitable foundation could be wound up and the owners or proprietors get the money back, although in the meantime tax exemption privileges would have been obtained. It was felt both necessary and desirable to plug that loophole. Let me hasten to say that this does not apply by any means to the really bona fide, genuine charitable foundation. Without going into detail, one particular case was drawn to our attention which made me feel that an amendment to the act was called for.

Mr. Fleming: Was that case in the province of Ontario?

Mr. Abbott: No, it was a case in the province of Quebec, actually; in my own province. The section now provides for dividing these charitable foundations or organizations into two groups. One is:

(ea) a charitable organization, whether or not incorporated, all the resources of which were devoted to charitable activities carried on by the organization itself and no part of the income of which was payable to, or was otherwise available for the personal benefit of, any proprietor, member or shareholder thereof.

Then there is the (eb) section which covers the so-called charitable foundation. On examining the section the committee will notice that there are laid down certain conditions which would permit this type of corporation to qualify as a charitable foundation and to obtain the exemption from income tax which would flow from that quality. As the sections appear in the bill, there is a clear line of demarcation between the charitable organization which carries on charitable activities itself and the foundation which turns over all its assets or 90 per cent of its receipts to charitable objectives. In the first case under the defining section which we passed earlier, the donor to the organization could claim an exemption within the 5 per cent limit in the case of a corporation and the 10 per cent limit in the case of individuals for gifts made to the charitable organization. But as drafted, the charitable foundation would not qualify such a donor for exemption. It was pointed out to us that there were some cases in which these groups performed both these functions. They not only conducted charitable activities themselves but they also turned over moneys out of their revenues to charitable objectives like hospitals, universities or whatever it may be. We therefore studied whether it would not be possible, while retaining the protective provisions to which I have referred, to give this second class of charitable organization a similar quality which would enable people who made gifts of income to that so-called charitable foundation to deduct this for income tax purposes. The effect of the amendment which I am going to move is this. Perhaps I had better read the amendment. It is as follows:

There shall be included in computing a corporation's income all gifts received by the corporation other than gifts received subject to a trust or direction that the property given, or property substituted therefor, is to be held by the corporation for the purpose of gaining or producing income therefrom.

In other words, the onus will be put upon the donor to say when he gives to the charitable foundation that his gift is a gift of income or of capital; but from the point of view of the tax department, all receipts by the foundation will be considered as income unless the foundation shows that they have been paid over on the advice that they are a gift of capital and that the capital is to be invested and the income only used for charitable purposes. That explanation may not be as clear as it should be, but I have tried to summarize the provisions of the section. I will welcome any discussion by members of the committee.

Mr. Fleming: In the first place, do I understand that this provision applies to charitable foundations in existence at the present time?

Mr. Abbott: From June 1, 1950. The section so provides.

Mr. Fleming: Only those coming into existence on or after June 1, 1950. Is that what the minister means?

Mr. Abbott: No.

Mr. Fleming: I am referring to the date of the creation of the charitable foundation.

Mr. Abbott: The charitable foundation can be created before or after; but the particular requirements with respect to the distribution of 90 per cent of its income and so on apply as and from June 1, 1950.

Mr. Fleming: Quite so.

Mr. Abbott: It would apply to the 1950 taxation year.

Mr. Fleming: I think that is quite clear, but I wanted the minister's confirmation of it. It is quite clear then that this provision may deprive some charitable foundations of an exemption which they hitherto enjoyed.

Mr. Abbott: No. I do not think it is going to deprive them of anything.

Mr. Fleming: I am sorry, but I do not read the amendment in the same way as the minister does.

The Chairman: Order. Perhaps it would be better to have the amendment read before we debate it.

Mr. Fournier (Hull) moved:

That clause 21 be amended by renumbering subclause (3) as subclause (4) and inserting the following immediately after subclause (2):

(3) The said section fifty-seven is further amended by adding the following subsection thereto:

"(3) For the purpose of paragraph (eb) of subsection (1)

(a) a corporation shall be deemed not to have acquired control of another corporation if it has not purchased (or otherwise acquired for a consideration) any of the shares in the capital stock of that corporation, and

(b) there shall be included in computing a corporation's income all gifts received by the corporation other than gifts received subject to a trust or direction that the property given, or property substituted therefor, is to be held by the corporation for the purpose of gaining or producing income therefrom."

Mr. Fleming: My observations, Mr. Chairman, are not affected particularly by the amendment. I should like some information as to the extent to which section 21 of the bill applies. I think the minister's answer has made it quite clear that this amendment —whatever the effect of it might be—does apply to all so-called charitable foundations in existence. It does not apply only to those that may come into existence after the date of the enactment of this bill.

Mr. Abbott: Quite right.

Mr. Fleming: Therefore if there is anything to be said for or against retroactivity as applied to legislation affecting charitable foundations, then those who object to application of such legislation to charitable foundations in existence had better speak now or forever hereafter hold their peace.

The other point on which I should like to have some confirmation from the minister is this. I take it that the underlying purpose of the proposed amendment is to compel charitable foundations, so called, to disburse the income that they receive.

Mr. Abbott: If they want to claim the taxation exemption.

Mr. Fleming: Quite. If they wish to enjoy the benefit of exemption from income tax then they must disburse their income as they go along to the extent of 90 per cent of that income.

Mr. Abbott: That is right.

Mr. Fleming: Back of that must be the view that it is unhealthy to permit charitable foundations to set up businesses and to claim immunity from taxing statutes, and simply to accumulate funds or accumulate control of corporations or businesses. I may say, sir, that with that intent I am in full accord, and I hope that this committee of the whole will be in complete accord with it.

I would have been interested to hear from the hon. member for Leeds, had he been in the house, and perhaps any other hon. members who may have spoken against similar Ontario legislation on the hustings in the by-election campaign several months ago in the Ontario constituency of Leeds.

Mr. Adamson: I should like to ask the minister one question on paragraph (eb), subparagraph (i) which reads:

Did not carry on any business.

If a charitable organization is established, the creature of a revenue-producing business already in existence, it cannot now carry on any commercial activities. Is that the intent?

Mr. Abbott: No. It is quite possible that some of these charitable foundations which have been created prior to this time may in fact control certain businesses through stock ownership. This does not interfere with that at all. There is no retroactivity effect to this legislation. They may have accumulated their income right up to this time and not paid a bit of it out, but in future in order to continue to qualify they must pay out 90 per cent of their current income. We are not interfering with any practices that may have been followed in the past, but in future they must qualify, and in future it will not be possible for any charitable foundation to acquire control by purchase of shares of a business.

Mr. Coldwell: Can the minister give us an estimate of the revenue that the government has lost on account of these so-called charitable foundations that have been established in Canada?

Mr. Abbott: It is almost impossible to ascertain. I do not want it understood for a moment that I think there has been any widespread abuse of the possibilities which perhaps the charitable foundations would afford in the hands of someone who wanted to use it for that purpose. But the rules which we are setting up here seem to provide a fairly good test for the bona fide charitable institution, which I think is very desirable. I do not want to discourage them for a moment, but I think certain safeguards are needed in order to see that the provisions are not abused. I want to reiterate, that there is no retroactive effect to this whatever.

Mr. Coldwell: The purpose of my question was to find out whether the government has any knowledge as to the extent of loss of revenue to the country, on account of the establishment of charitable foundations. That is something the house should know about, because the more of these we get and the more they multiply the more burden is placed upon the remainder of the taxpayers of the country. That is the point.

Mr. Abbott: The point of course is there is no burden so long as 90 per cent of the revenues of these foundations is paid out for genuinely charitable purposes. The donations to them can only be made out of income to the extent of the 10 per cent or 5 per cent limits, and gifts of course would be exempt from gift tax; but with these reservations—we have given this a good deal of thought—the protective measures which we are putting in here are adequate; but at the same time I think they are fair.

Mr. Adamson: Then a revenue-producing corporation must disperse 90 per cent of its revenue? Assume it is a profit-producing corporation. I can think of a number; I can think of some of the drug trusts in the United States. In that country some universities have the right to manufacture certain drugs that one of their professors has discovered. I think the university of Wisconsin is one of them. There may be cases like that in Canada where there are revenue-producing corporations. Under this act the corporation to be classed as a charitable organization must distribute 90 per cent of its profits.

Mr. Abbott: Not the way my hon. friend put it. We must be careful not to confuse the situation in the United States with the situation in Canada. In the United States they have a law whereby the taxability of a corporation depends upon the quality of the person who owns it. I am told that Columbia university is operating spaghetti factories, and all kinds of industrial corporations, and these industrial corporations are exempt from the ordinary corporation taxes because they are owned by Columbia university. I hope that we shall never have that principle in Canada. But let us take the case of a charitable foundation that owns 5 per cent of the shares of a profitable spaghetti company.

Mr. Fleming: Or a newspaper?

Mr. Abbott: Or a newspaper, or anything else you like. The newspaper is not obliged to distribute in dividends any more than the board of directors feels is proper; but all dividends received by the charitable foundation which owns the shares of the spaghetti factory, or the newspaper or anything else, must be distributed for charitable purposes to the extent of 90 per cent in the year received. It does not affect the commercial company which is operating a profitable business, because under this section a corporation to qualify as a charitable foundation must be one in which no part of the income was payable to or otherwise available for the personal benefit of any proprietor, member or shareholder thereof. I think the section is pretty tight.

Mr. Adamson: The minister brought out the Columbia university. That was the case I was trying to dig out.

Mr. Abbott: That is owing to the difference in the law.

Mr. Adamson: I hope we never get to that stage in Canada. I agree with the minister on that. A corporation may then continue to make a profit so long as it does not pay it over to the charitable foundation?

Mr. Abbott: It is to be hoped the corporation would continue to make profit as long as possible. That is what it is in business for. The dividend policy of the corporation will be determined by its board of directors, but as I say if a profitable corporation is controlled by a charitable foundation the earnings of the corporation as available in dividends to the charitable foundation can now be distributed to a charitable foundation.

Mr. Macdonnell (Greenwood): I understand that if a charitable trust is carrying on any business, it would be disqualified under this section; is that correct?

Mr. Abbott: I do not say it would be disqualified under the section. It would be disqualified only if any of the profits of the business it was carrying on inured to the personal benefit of any proprietor, member or shareholder. If it is a charitable foundation it cannot carry on commercial business. It could do it of course through a corporation, if it had the shares of a corporation in a

fashion other than by purchase, or if they had been acquired before the coming into force of this act.

Section stands.

Progress reported.

NORTH ATLANTIC TREATY

TEXT OF ANNOUNCEMENT MADE IN LONDON THIS DAY

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, may I have the consent of the house to revert to motions for the purpose of communicating to the house a statement about which the leader of the opposition inquired when the orders of the day were called earlier this afternoon?

I would like to read to the house the full text of an announcement made in London today, with which our Secretary of State for External Affairs (Mr. Pearson) was associated. The following statement was issued today (Thursday) in London:

During their talks last week, the foreign ministers of France, the United Kingdom and the United States considered how the countries of western Europe and North America might improve their co-operation on economic problems which require adjustments by them in the period immediately ahead. The emphasis in their discussions was on the positive courses of action which need to be taken.

The Secretary of State of the United States emphasized the great value of the existing relationship between the organization for European economic co-operation and the United States and believed that it would be helpful to broaden this relationship to provide for regular discussion and consideration of the problems requiring co-operative action in the coming period. He pointed out that, while the European recovery program terminates in 1952, the interest of the United States in Europe will necessarily continue and that study of the problems is now going forward actively in the United States on the highest governmental level. During conversations this week, the Canadian Secretary of State for External Affairs has indicated a similar interest on the part of his country to participate in the study of these problems. The four ministers believe that this relationship would permit a close co-ordination of the work now going forward in the United States and Canada on these problems with the parallel efforts of the OEEC.

The foreign ministers of France and the United Kingdom, after consultation with the chairman of the OEEC, stated their hope that the OEEC would invite Canada and the United States to establish, on an informal basis, a working relationship with the OEEC whereby the two countries could join with the OEEC in the discussion and consideration of the action to be taken on these problems.

It was agreed that the proposed working relationship between Canada, the United States, and the OEEC would not interfere with the present functions of the OEEC as an organization devoted primarily to European economic problems as provided in the convention for European economic co-operation.

The four ministers were in agreement that the economic and financial problems arising from the defence effort fell primarily within the competence of the North Atlantic treaty organization. They recognized also the concern of the North Atlantic treaty with broader questions of economic relations among the signatory countries and welcomed the decision of the council to have the deputies consider what further action should be taken under article 2 of the treaty.

The four ministers were further agreed that it was their hope, through a new working relationship, to proceed promptly toward finding solutions of the general economic problems which lie immediately ahead along lines which would eliminate conflict in their international economic policies. They recognize that Canada, the United States and the western European countries have a continuing interest in developing and strengthening economic collaboration between them in order that they can make together their full contribution to the building of a peaceful and prosperous world order. They further recognize that the development and strengthening of the economic ties of this community of nations may in the future require formal organizational expression, but they believe it is unnecessary at this time to attempt to suggest precisely what form of arrangement will prove to be best suited to assist the taking of common action by the community.

The Canadian government welcomes this statement. If the organization for European economic co-operation invites us to establish an informal working relationship with them we shall be glad to accept.

It may be helpful to members of the house if I say a few words about the OEEC. This organization was set up after General Marshall's famous speech of June 5, 1947. In that speech he called on the European countries to draw together. Sixteen countries, including the United Kingdom and Ireland and almost all the continental countries free from Russian domination, responded. As their organization developed, much of its work related to Marshall aid; the members considered together their needs for special assistance and presented programs and reports to the economic co-operation administration, headed by Mr. Paul Hoffman, in Washington. But the OEEC was never intended merely as a channel to facilitate the provision of Marshall aid. Its purposes were wider and longer than that. It was designed, as its name indicates, to promote co-operation among European countries in all matters of common economic interest and on a permanent basis. It has already reduced many of the trade restrictions between European countries. It has fostered trade by means of currency arrangements designed to make strict bilateral balance and barter unnecessary as between members. In these and other ways it is strengthening Europe economically and therefore politically.

This, then, is the organization with which we may be invited to associate. The European organization might thus be extended to establish an informal relationship with Canada and

the United States in the discussion and consideration of economic problems of common interest. Thus it may become an organization for North American-Western European co-operation.

I am sure the house will be pleased to know that at the same time as such arrangements for informal economic co-operation in the immediate future are going forward the deputies to the North Atlantic council are to consider further the question of longer-term collaboration under article 2 of the treaty.

In conclusion I should perhaps stress that our new association would be informal. It would involve a recognition that the economic problems faced by OEEC countries, the United States and ourselves are common problems, not isolated individual problems. In the last analysis solutions must depend on action by individual countries, but they should be sought and discussed jointly around a common table.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, I wish to associate myself and, in doing so, I am sure all members of the party to which I belong, with the expression of approval of every forward step which will bring together in closer and more effective co-operation the nations of the European community on the Atlantic and in North America. What has been given to us now as the official statement coming from the meeting in London does not report conclusions of such a broad nature as had been suggested in the press. I merely mention that because there was certain speculation earlier about something of a more positive nature. Nevertheless I feel there will be great encouragement in the fact that the very presentation of this statement indicates that the nations of the Atlantic community are extending their consideration beyond the military aspects of the North Atlantic charter, and are recognizing the necessity of implementing the general provisions of article 2 as complementary to the purposes of article 1.

Undoubtedly economic and military strength go hand in hand. Without economic strength and economic co-operation the military strength upon which our hopes of peace depend could not possibly be maintained as a reality. If through military co-operation based upon economic co-operation the stability and peace which we all desire result, then it will be possible to carry this association still further to the fulfilment of the purpose of article 2 and to the strengthening of those very institutions, and the understanding thereof which is in itself an essential part of the whole purpose of the treaty. While the Prime Minister (Mr. St. Laurent) has made it clear that what is contemplated at present is simply an informal arrangement, nevertheless I hope there will be a sufficient measure of formality and of clarity of defined association to give us hope that the termination of these discussions, with continuing and effective association for military purposes, will be carried into the economic and social sphere as well, that this may in truth be the beginning of a far closer collaboration of the nations of the Atlantic community, and that we may in fact be seeing the beginning of a really workable world association for peace and stability in the years ahead.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, I noted that the leader of the opposition (Mr. Drew) stated that he was speaking for his party as well as for himself. May I say we are pleased to associate ourselves with the remarks he has made. We have always emphasized the importance of article 2 of the Atlantic agreement. I am very glad indeed to learn that the conference has come to some informal arrangement regarding the implementation of that part of the agreement. I believe that economic understanding among the north Atlantic nations is at least as important as military arrangements. If we can bring about reasonable and decent economic conditions among the nations of the world I feel that in time we shall manage, as the leader of the opposition said in his closing remarks, to eliminate the prospect of future war.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

INCOME TAX ACT

The house resumed consideration in committee of Bill No. 177, to amend the Income Tax Act—Mr. Abbott—Mr. Dion in the chair.

On section 21—*Certain organizations.*

Amendment agreed to.

Section as amended agreed to.

Sections 22 to 27 inclusive agreed to.

On section 28—*Application.*

Mr. Fleming: Here we come to this group of sections that were referred to earlier, embodying these important new sections 73, 73A, 73B and 95A; and if it meets with the approval of the minister I suggest that these be considered together.

Mr. Abbott: I was just going to make the same suggestion.

Mr. Fleming: Earlier in the day the hon. member for Greenwood had something to say on this in asking for a detailed elucidation of these provisions, and also those in section 11 of this bill, which was allowed to stand for consideration together with this group of related sections. Just before we left that I was outlining to the minister what I hoped might be a helpful breakdown in the approach to this question. If the minister would make that approach as detailed as possible I believe it would be of assistance to hon. members in trying to understand these difficult sections. There are five points on which I am asking the minister for elucidation. First, if he would trace through the position of the individual shareholder in corporations of the kind dealt with in these sections.

Mr. Abbott: You are referring to section 73?

Mr. Fleming: Yes, the group we are taking together; 73, 73A, 73B, 95A and section 11 of the bill.

Mr. Abbott: Is my hon. friend suggesting that for the sake of convenience we might consider together section 73, section 95A, and the section that was allowed to stand a short time ago, all of which relate to the same subject matter? It seems to me that might be very useful.

Mr. Fleming: That is what I was suggesting.

Mr. Abbott: Then could we carry on with the other sections, until we reach 95A?

Mr. Adamson: Had we finished section 21?

Mr. Abbott: Yes. I am in the hands of the committee, but I would be quite prepared to have section 73 stand until we get to 95A, and then deal with these together. Section 95A is in effect the substantive section.

Mr. Fleming: Then does the minister propose that section 28 should stand?

Mr. Abbott: Yes.

Section stands.

On section 29—*Hearing and determination by any number.*

Mr. Fleming: Apparently it is intended by this section that one member of the income tax appeal board may hear appeals. I should like to know if it is intended that the legislation should go that far. It is one thing for a board of three to have a panel of two, but it is another thing for the board to break itself up into panels of one. That seems to be the effect of the section.

Mr. Abbott: Here is the position. It was felt that a good many of these appeals could be heard by one member of the board. There is, of course, an appeal to the exchequer court; but apart from that the member appointed to hear an appeal may at any stage of the appeal refer it to the whole board. After some experience in the administration of the appeal board, the chairman of that board and the officers of the Department of National Revenue felt that the hearing of what I might describe as rather minor appeals could be readily undertaken by one member. It is always open to the single member hearing the appeal, under the amendment as proposed, to refer it to the whole board. It is to be assumed that he would do so at the request of the appellant, let us say; and in any case there is the protection of an appeal from the board to the exchequer court. That was the thinking behind the proposed amendment.

Mr. Fleming: What will be the practice followed by the board in the assignment of this work? Is it the intention of the board to make a practice of having appeals heard by only one member, or of sorting out the appeals and assigning some to a panel of two or three members and some to a panel of only one?

Mr. Abbott: I am told that is the practice that will be tried out; that the appeals will be sorted, and what appear to be the simpler ones dealt with by one member, and others dealt with by two or more members of the board. It is believed that this will quite appreciably speed up the work of the board.

Mr. Fleming: Can the minister tell the committee how the board stands now in relation to its backlog of work?

Mr. Abbott: I would not want to be too definite about this, because we have not checked recently, but I am told they are about two months behind now, having regard to the fact that the procedure of assessment has been speeded up greatly in the Department of National Revenue.

Section agreed to.

Sections 30 and 31 agreed to.

On section 32—*Private company election.*

Mr. Fleming: Here we are back on this group of sections again. I think this is the third time I have started to offer a suggestion to the minister in the hope of simplifying and clarifying these very difficult sections. I am suggesting that the minister take this in five stages. The first would be to trace through this new legislation the position of the individual shareholder, that is, the non-corporate shareholder; second, the position of the corporate minority shareholder under these

sections and in relation to section 27 of the act; third, the position of the corporate controlling shareholder before May 10; fourth, the position of the corporate controlling shareholder after May 10; fifth, the position of the corporate controlling shareholder in reference to subsidiaries of subsidiaries.

Mr. Chairman, those are suggestions to the minister. I think if the minister can clarify the position, or the effect of those amendments at those five stages, he will have helped the committee to understand these provisions.

Mr. Abbott: My hon. friend appreciates that these sections apply only to private companies as defined in the terms of the section, and that was the principle that was applied to similar measures following the recommendation of the Ives commission. Take the case which he puts up first, of the individual shareholder of a private corporation which has accumulated a surplus.

Mr. Adamson: This is a corporation with less than seventy-five shareholders?

Mr. Abbott: According to the definition of the act, that is right. A corporation may elect to pay fifteen per cent tax on that accumulated surplus, which thereupon becomes capitalized and then becomes a tax-paid surplus. It may not pay on any part of it; it must pay a tax on the whole thing, so far as the arrears are concerned. Now, when that has been done, it becomes a tax-paid capital surplus. The corporation may capitalize it, and it then becomes a capital surplus which can be distributed in accordance with the law governing corporations in so far as the distribution of capital is concerned. It could take the form of a stock dividend; it could take the form of a distribution for the reduction of capital. My hon. friend is a lawyer, and he will appreciate that when one is effecting a distribution of capital under the company law relating to the particular company, whatever the requirements of the particular company law for the reduction of capital are must be observed; that is the case of an individual shareholder.

In the case of a corporate minority shareholder, he would be in exactly the same position as an individual shareholder. The corporation would have capitalized this undistributed surplus, and it could then be capitalized and distributed to corporate minority shareholders and would not be taxable in the hands of that shareholder.

Mr. Fleming: Will that be so after we have adopted section 11 of the bill which amends section 27 of the act?

Mr. Abbott: Yes; section 11 will not interfere with that situation. Section 11 only applies to the future acquisition of control, so the ordinary rules apply, and the dividends from corporation to corporation are free as between one Canadian taxpayer and another where control was previously acquired.

I think I have answered the third question as a result of my hon. friend's interjection.

I think I have answered both three and four. I have dealt with both prior to, and subsequent to, May 10. The fifth question concerns the position of the corporate controlling shareholder of a subsidiary of a subsidiary. I must confess that I get a little lost there. I think the same rules apply though, no matter how far you carry it through. What is referred to in the section as a designated surplus, that is the surplus any particular company has which exists on May 10, can be dealt with in the way I have indicated; that is, it could be capitalized upon the payment of the fifteen per cent tax, and the earnings subsequent to May 10 will follow the ordinary rule and can be paid to another company tax free as between those companies, if the other company is a Canadian tax paying company; or the matching principle can be applied on future dividends when earned, and an individual corporation may capitalize, upon payment of the fifteen per cent tax, an amount equivalent to the part which it pays out in cash dividends.

Mr. Fleming: And that can be carried right through, one degree after another, from subsidiary to subsidiary?

Mr. Abbott: I think I am right on that. I confess I have not given any thought to that particular condition. I see no reason why it should not be so.

Mr. Macdonnell (Greenwood): Did the minister say that the privilege of paying the fifteen per cent had to be exercised in respect of the whole amount?

Mr. Abbott: That is right, all the existing surplus up to the end of 1949.

Mr. Macdonnell (Greenwood): Where does the minister find that in the legislation?

Mr. Abbott: It is in section 95A (1) which reads as follows:

> A private company may elect, in prescribed manner and in prescribed form, to be assessed and to pay a tax of fifteen per cent on an amount equal to its undistributed income on hand at the end of the 1949 taxation year minus its tax paid undistributed income as of that time.

Then subsection (2) covers the accumulation of earnings for the future, or what I refer to as the matching principle.

Mr. Adamson: Has not the minister amended that?

Mr. Macdonnell (Greenwood): I want to go back to the provisions of section 11 of the bill, to be sure I understand that the provisions of subsection 1 are applicable where the receiving corporation acquired control of the payer corporation after May 4, which is now May 10. I am not clear on how far that limitation goes. It seems to me that is going to cut out two classes of cases, and the reason for cutting them out I do not see. One is when a company acquiring the shares already controls, through ownership of shares, another company, the company whose shares are transferred; second, a case where a company acquired shares, and the company whose shares are acquired is controlled directly or indirectly by the same company. The narrow wording that is used in section 11 seems to exclude that and yet I cannot see why, in principle, those cases should be excluded.

Mr. Abbott: I am not quite clear that I see what my hon. friend's difficulty is. The purpose of section 11 is to put a cut-off date with respect to the acquisition of control and provide that those surpluses can only be disposed of by capitalizing them under the provisions of section 95A so far as arrears are concerned. So far as the future is concerned, in disposing of their earnings, they may accumulate to the extent that they distribute in cash; and that applies whether it is a company which is now controlling a company which has a large accumulated surplus, or which acquires control in the future. My remarks relate entirely to private companies. The committee will appreciate that we are not talking about public companies at all.

Mr. Macdonnell (Greenwood): I am coming to that.

Mr. Abbott: When we say "private companies", those are the relatively closely held companies.

Mr. Macdonnell (Greenwood): I still come back to the wording of subsection 2 of section 11, which seems to say that the provisions of subsection 1 are applicable where the receiving corporation acquired control of the payer corporation after May 10. That is really what is meant, that it only becomes effective where that receiver corporation acquired control of a payer corporation after May 10?

Mr. Abbott: Yes; we are not interfering with arrangements that have been made prior to May 10.

Mr. Hatfield: Why does it only apply to private companies?

Mr. Abbott: The answer to that is this. This method of providing a means whereby accumulated surpluses of closely held companies could be distributed without too great penalty arose following the investigations made by the Ives commission. Part XVIII of the old act provided that surpluses of private companies could be capitalized and distributed upon payment of a tax which was something of the order of 20 per cent. We decided to extend that provision to companies which had accumulated surpluses beyond that time. It is a new move. One might say that in logic there is no reason why it should not be applied to public companies; but the Ives commission report did not recommend that it should be. We thought that for the time being we would proceed fairly slowly here and make it apply to the same class of companies that were dealt with under part XVIII of the old act. After we have seen how this works for a year, it may be possible to extend it to public companies. But this sort of legislation could have quite significant effects on the market quotations of publicly held companies, and I really did not feel that I wanted to go that far in this initial step. I am proceeding a bit cautiously here. Frankly, that is the reason why we have restricted it to the same class of company to which the old part XVIII applied.

Mr. Adamson: There is a question I should like to raise, and I should like to get clarification—although I think I know what the answer is—for the sake of the record. Under this bill there is no intention to deal in any way with a public company which has shares listed on the stock exchange and which may have a large surplus. There is no intention under this act to force that surplus into dividends or distribution or to force a public company to distribute its surplus. I ask that question, although I think I know the answer, in order to get the situation adequately cleared up.

Mr. Abbott: No. Neither is there the intention of doing so nor does the proposed legislation do so. It does not affect public companies. It relates only to private companies as defined.

Mr. Fleming: I wish to say that I think the use of the term "private company" is unfortunate. If the legislation had retained the expression used by the minister in his budget speech, namely, "closely held corporation," I think it would be much better. When we came to the budget resolution we found this expression "private company" instead of the earlier and better expression "closely held corporation".

Mr. Abbott: I am sorry, but I was consulting my officials and did not catch that.

Mr. Fleming: I just said that I regretted that when the budget resolution was introduced it used the expression "private company" rather than the clearer expression "closely

held corporation" which the minister used in his budget speech. The expression "private company", of course, under the Companies Act has a definite statutory significance. In this bill this expression "private company" has no relation whatsoever to "private company" as that expression is used in the Companies Act. In other words, the kind of company that is contemplated here may be either a private or a non-private company, provided it has not more than 75 shareholders on its share record. In order to avoid confusion on the part of people reading this legislation hereafter, will the minister not consider dropping this expression "private company"? I am sure many people who will read this legislation are going to treat it as the equivalent of the expression "private company" as used in the Companies Act, and that will be misleading. Will the minister not give consideration to using that earlier expression "closely held corporation"?

Mr. Abbott: I shall be glad to give consideration to it. But may I say that the reason we used it was that in part XVIII, which has been in the law for some time, the phrase "private company" was used, and we have been using it here again. I think in the trade it has come to be fairly well known among lawyers and accountants who are advising with respect to these things. I think it is fairly clearly known what it was, and that is why I retained it. The phrase "closely held corporation" is an excellent colloquial expression, but I do not know that it is much more accurate than "private company". I realize my hon. friend's point that "private company" under the Companies Act has a certain specific meaning with certain conditions attached to it; the number of shareholders is somewhat smaller than is provided under this section.

Mr. Fleming: It has a statutory meaning.

Mr. Abbott: I shall be glad to give consideration to the matter; but I think perhaps we had better let it stand for the moment. I would not want to make that decision this evening.

Mr. Fleming: There is another point I should like to raise. On page 23—and it might be simpler to refer to the page and line number rather than the clause because of the fact that we are dealing with a group of them together—line 3 in subclause 4, we have a definition of "shareholder" for the purpose of these so-called private companies; and he is defined as "a person who is recorded on the books of the corporation as a shareholder". Has the minister given consideration to the position of the holders of bearer share warrants? It is obvious at once, of course, that if you are going to include holders of bearer share warrants you would have to have some provision for the proof of the fact that the number of holders of bearer share warrants and registered shareholders combined does not exceed 75. But under this clause the minister reserves the right to make regulations and to set up the kind of proof that is required in determining the number of shareholders, and it does not seem to me to present too great a problem to define methods of proof in the case of holders of bearer share warrants.

Lest some hon. members be concerned about what might appear to be opening the door a little bit wider here, and lest they also be concerned perhaps as to the position of holders of bearer share warrants, for instance, under the succession duty act I should like to point out that there is no danger whatever in that respect. So far as this act is concerned, as I say, I think it should not be difficult to prove to the satisfaction of the department the number of holders of bearer share warrants. The number of shares is determined on the books of the company. The only point left to be determined would be the number of the holders. As long as proof is adduced to establish that the number of holders of bearer share warrants plus the number of registered shareholders does not exceed 75 in all, then it seems to me we should not be enacting legislation which is so restrictive in its terms as to exclude the holders of bearer share warrants.

On the succession duty angle may I point out that there is no possibility whatever of difficulty arising here. The shares of companies organized under the laws of this parliament or of any of the provinces have a situs or location in Canada for duty purposes, under section 6 (2) of the succession duty act. That section applies where the deceased died on or after January 1, 1948. Then under paragraph 2 of article III of the tax convention existing between Canada and the United States, for the avoidance of double taxation, we have a provision that the shares of Canadian companies shall be deemed to have situs in Canada; and it has been laid down that the fact that the shares are represented by bearer share warrants does not affect the position in the least. Under the succession duty act they are still deemed to have situs in Canada. Under the practice that exists, as I understand it, where the holder of bearer share warrants in a Canadian company dies in the United States, it is the practice of the United States government to report that fact to the Canadian government, and succession duty is levied in Canada

in that case. A similar practice prevails in the converse case where the holder in Canada of bearer shares in a United States corporation dies here. I ask the minister's consideration of that point because bearer share warrants are a useful means of evidencing ownership of the shares of a corporation. I submit that this provision is unduly restrictive in its present form; that it could be widened without risk.

Mr. Abbott: I will give some consideration to that. As my hon. friend knows, the use of bearer share warrants is extremely rare, certainly in the case of private companies. I had a reasonably extensive practice in matters of this kind and I can think of only three or four companies that use them. The Canadian Pacific issue share warrants, the Imperial Oil and the International Petroleum used to; but they are very rare in the case of private companies. I knew of no case of less than seventy-five; but if there is any hardship I shall certainly look into it. We are going to proceed a little cautiously with this section. It is not a section of general application to companies which are widely held, but I shall take note of my hon. friend's suggestion, and perhaps if we are reviewing the section next year, to extend it to give it somewhat wider scope, we will bring in the question of share warrants.

Mr. Fleming: Do I take it that in the regulations that the minister proposes to lay down under this section determining the terms of proof it is proposed to include the holders of bearer share warrants?

Mr. Abbott: If we can do it legally it could be considered. It would seem to me that perhaps it would be the sort of thing one should spell out in the act. I will think it over.

Mr. Macdonnell (Greenwood): I want to go back to section 11, because I still want to persuade the minister that the point I am raising there is a point that, purely by reason of wording, a narrow construction may be given which quite possibly is never intended. I want to go back and repeat what I said before. At the present time, under section 11 it applies only to the simple case apparently of where one company is acquired by another. It would operate unfairly, I suggest, in the case of a company having several subsidiaries or even sub-subsidiaries. I want to suggest to the minister again that it would be entirely in accordance with the spirit of this legislation if a broader interpretation were given. I am suggesting that the section be amended to provide that it is not to apply (1) to the case where the company acquiring the shares already controls through the ownership of shares of another company the company whose shares are transferred. The minister will appreciate that that is a method of acquiring control, not in the simple way indicated in the section but in a more complicated way, but nevertheless the relationship is the same, I submit; (2) to a case where the company acquiring the shares and the company whose shares are acquired are controlled directly or indirectly by the same company. I suggest to the minister these two cases are entirely within the four corners of the section but owing to the narrow wording of the section they might be shut out. The section says simply and exclusively that it applies to cases where control of one company first of all is acquired —that is not the wording of the section— where one company is acquired by another. That is the effect of it. Will the minister not give consideration to that right now and say whether what I am suggesting is reasonable?

Mr. Abbott: I do not know whether I have been able to think through exactly what my hon. friend is suggesting. He appreciates that this section does not apply to any acquisition of control, by subsidiary or further subsidiary or anything else, entered into prior to the 10th of May, 1950. It is only for the future. Offhand I must say that the evil that we are attempting to correct here could be achieved by going through two or three transfers just as readily as it could by making one.

Mr. Macdonnell (Greenwood): I am suggesting that this is substantially the same as what the minister has in mind. Will the minister let this section stand until he has time to consider it? Surely that is a reasonable request?

Mr. Abbott: I am told that the case to which my hon. friend is referring has been considered, and we felt that the evil which we are trying to prevent could be avoided in that way; that one company which controls another and which has a surplus could sell these shares to another subsidiary at the book value, and in that way get the surplus out tax free without paying the tax which we think should be imposed.

Mr. Fleming: Mr. Chairman, the expression "resident" and the expression "non-resident" as applied to corporations and as used here in various places are not defined. There is no definition to determine residence in the section. What basis does the department propose to follow to determine residence in the case of a corporation? Are they going by head office?

Mr. Abbott: I understand that the rule which is followed is laid down in the British

Columbia Electric case. Stated rather briefly, where the seat of management and control of the corporation rests constitutes the residence for the purposes of the act.

Mr. Fleming: In the administration of the act will a corporation be treated as having only one residence? After all, there are many cases where a corporation may have its head office, its management offices, in one country and still be carrying on very substantial operations in the other country. There are a good many of these cases on either side of the international boundary.

Mr. Abbott: My hon. friend will recognize that they can have only one residence for purposes of our tax. There are a good many Canadian companies that do business in the United States, and a good many United States companies that do business here through either branches or subsidiaries. If they do business through branches then the reciprocal arrangements both of the tax treaty and the act apply, and there are appropriate provisions for credits of taxes paid in the other country. I do not think any difficulty has arisen in practice under the act so far as I am aware.

Mr. Chairman, I have a technical amendment to section 28 which I am told is merely to correct a drafting error. Perhaps my colleague the Minister of Agriculture would move it.

Mr. Gardiner: I move:

That clause 28 be amended by substituting the word "Part" for the word "Act" in subparagraph (ii) of paragraph (a) of section 73A of the Act, by substituting "1949" for "1950" in subparagraph (iv) of the same paragraph, by substituting the words "reduced previous to the specified year" for the words "previously reduced" in subparagraph (v) of the same paragraph, and by substituting the words "subsection (4) of section 73" for the words "section 73" in subparagraph (i) of paragraph (b) of subsection (1) of section 73A.

Amendment agreed to.

Mr. Abbott: I have a second amendment to the section which includes section 73B, relating to mining, which I would ask my colleague to move.

Mr. Gardiner: I move:

That clause 28 be amended by substituting the following subsection for subsection (4) of section 73B:

"(4) Paragraph (b) of subsection (2) and paragraph (b) of subsection (3) do not apply:

(a) in the case of a person who disposes of the shares after carrying on a campaign to sell shares of the corporation to the public, or

(b) to shares acquired by the exercise of an option to purchase shares received as consideration for property described in paragraph (a) of subsection (2) or paragraph (a) of subsection (3)."

Mr. Adamson: I do not know whether the minister wants to make a statement.

[Mr. Abbott.]

Mr. Abbott: Perhaps I should make a brief statement. I assumed that some hon. members would wish to discuss this section. The amendment which is proposed here is to give statutory recognition to a practice which has prevailed since 1941 in the income tax administration with respect to persons who invest or put moneys into the location and development of mining properties. I am informed that in 1941 a directive was issued by the then deputy minister of income tax in which he provided, in substance, what is set out in this section, namely, that if I alone or in conjunction with others put $10,000 or $15,000 into locating a mining claim, and had done a certain amount of preliminary work in proving up the property, locating it and so on, and then sell that claim for a substantial profit, either in cash or in shares, that profit will not be taxable—even though I may make a business of doing that, day after day, month after month, or year after year.

It was felt it was desirable to give statutory recognition to an administrative practice which, frankly, I thought the terms of the law scarcely justified. In this section, as it originally appeared in the bill, we had provided that a person would not be eligible for that special consideration if he were engaged in carrying on a business of dealing with the public in shares and securities. On reconsideration it did not seem fair to me that because a man was a stock broker or a bond dealer, or even if he was a mining stock broker, he should be precluded from making this type of investment, or doing this type of promotional work, just because of the fact that he might make his livelihood out of underwriting shares and selling them.

That is the purpose of the amendment which has just been read and, briefly, the purpose of the section. There is no change whatever in the law as it has been administered since 1941. However, the section I am proposing gives statutory recognition to this special extent in favour of those people who back the promotion of development by the location and the development of mining properties.

Mr. Adamson: I am glad to have the minister's statement in this matter because, as he knows, there has been some considerable worry about this section. As the minister knows, the financing, discovery and development of a mine is an extremely hazardous and speculative business. Unless every encouragement is given both to individuals and to companies engaged in this extremely hazardous and speculative business we will not find that this type of capital,

this speculative capital, so essential for the development of mines, will continue but that it will tend to dry up.

The minister would be infernally lucky if he were on the ground floor in respect of even one producing mine. If he took a number of speculative chances he would find that the number of times he does win or that he does get in on the ground floor would be extremely rare. Over the past quarter century I believe the chances are less than one per cent.

I mention this merely to show how necessary it is to encourage risk capital in the development of mines. I understand the reason for this amendment. In many ways I have some sympathy for the purpose indicated by the minister. But there is grave danger in any attempt to restrict individuals who, to put it colloquially, make a practice of taking bets in the development of mines.

Some of us do it, to our sorrow, in an amateurish sort of way. But the net result is frequently, and more or less generally, unsuccessful. Some of us who perhaps have more time and more knowledge consider that it is part of a necessary development of the Canadian economy. Even so, despite the knowledge we have, and the trouble and exploration involved, we also find that the secrets of nature are very, very elusive. Even though a mine or an ore body is discovered—and this is not a common thing—and reasonably delimited by diamond drilling, trenching or shaft sinking, then we have the great difficulty of raising capital to develop what is considered, from engineering judgment, to be a worth-while ore body.

There is no easier way to kill the mining industry than to restrict speculation. By its very nature mining is an extremely speculative business. Even though you have what you consider to be a rich ore body, as indicated by surface drilling, until that rich ore body is developed, cross-cuts put through it, stopes developed, and shafts and mills erected, you have not got a mine; and all the work, all the effort and all the capital put into this may go for naught.

May I emphasize to the minister that to restrict in any way the flow of speculative capital into mining in its early stages is going to do the greatest disservice to the development of this country that could be done by anyone. Mining is entirely different from ordinary business. In ordinary business procedure, particularly manufacturing, a prospectus is issued, on which there is a reasonable estimate as to the probable profit that can be made. In mining no such thing occurs. All one can do is to say, "We have such-and-such a property; the geology is such-and-such; we have diamond-drilled it and found that we have such-and-such an intersection carrying such-and-such a value." On that bet, and only on that bet, does the initial speculator put money into the property.

That is an extremely hazardous and extremely speculative bet. But that is where mines are made. It is that type of speculation, that type of gambling, if we wish so to describe it colloquially, that gives the prospector and the initial developer and the man who puts up the money for the diamond drilling and the man who puts up the money for the initial trenching or the geophysical work or for the initial shaft-sinking, the money to go ahead with the development of the mine. As I have said, the betting against such capital is about a hundred to one but it is still a hundred to one. If by any regulation you make the one per cent who are a success subject to taxation for income purposes you are going to kill the goose that laid the golden egg more surely than by anything else that could be done to destroy the development of our country. I hope what the minister has said is correct, and that the section in fact does what he has said it does, namely, encourages the investment of capital in the mining business.

There are two or three cases which I think should be brought to the attention of the committee. In mining there are groups of prospectors who form themselves into syndicates. Then there are companies whose principal business is concerned with the prospecting and developing of mining properties. The act merely deals with prospectors as individuals. As a matter of fact most prospecting is done by syndicates at the present time. The old-fashioned individual prospector is very nearly a thing of the past. A great deal of prospecting is done by companies making a specialty of such work. I should like a statement from the minister to the effect that the capital gains, which may occasionally accrue to syndicates and prospecting companies that are fortunate enough to discover a property and develop it to the stage where its stock can be sold publicly, will not be taxed. I should like an assurance that the profit of the original prospector, whether it be an individual, syndicate or company, will be considered as a capital gain and not taxable even though the prospecting syndicate is principally engaged in the business of prospecting and carrying on the early development of mining properties.

Mr. Dumas: Will the minister give the committee the assurance that the intent and meaning of subsection 3 of section 73B is the same as that in the departmental ruling of 1941?

Mr. Abbott: I am told the departmental ruling of 1941 took the form of a directive from the then deputy minister of taxation. I am also told that the section as drafted sets out exactly the practice that the department has been following since that time. I cannot make that statement from my own personal knowledge because I do not administer that department. As I said at the outset, there is no intention in this section to change in any way the practice which has prevailed since 1941.

The hon. member for York West raised the question as to what the position would be with respect to a syndicate. If the syndicate is unincorporated it obviously comes straight within the specific language of the section. If the development work was done by means of the purchase of shares in what was loosely referred to as a syndicate, then the ordinary rules with respect to the purchase of shares would apply, and the question whether or not there would be tax liability would depend on the quality of the investor.

Mr. Adamson: That is just the question. Frequently a syndicate or individual will invest money in a prospect by taking down shares either in a syndicate or in an incorporated company. Many companies today have been incorporated and then several other development companies have purchased stock in the incorporated company—I am thinking of one particularly—in order to advance development. Let us take a mine which is one of the most active presently in the Canadian economy, and which may develop into a major copper producer. I will not mention its name but many members probably know it. It requires several million dollars to bring it into production. Several companies have invested large sums of money in this one company by the purchase of treasury stock. That money went immediately, without any deduction, into the development of the property which as yet is unproven.

It will take probably a year or so and possibly three or four million dollars more to decide definitely whether it is a major commercial operation. At the present time several prospecting companies whose business it is to develop mines have purchased stock in company X, shall we say, in order to put money in the treasury to enable company X to be developed. There is a strong possibility that a mine will be developed on the property. If that happens it may be that the individual companies which have invested money to bring company X into production will wish to sell a part or all of their equity in the producing mine a year or two years from now. I want to ask the minister whether the money so received is going to be considered as income of these companies or as capital gain.

Mr. Abbott: As my hon. friend has put it, I would say it would not be subject to tax. If one or two companies then proceeded to make a market for the stock, underwrite the stock and increase the capital of the company after it had been proven there was a producing mine, then of course they would be engaged in another operation. On the facts as set out, however, if two or three of them invested in a prospect, brought it to the point where it got to be a real mine and then sold their stock to somebody else, they would come within the operation of this section and in my opinion would not be subject to tax.

Mr. Smith (Calgary West): It is a fine distinction.

Mr. Abbott: There are fine distinctions in all these cases; it cannot be helped. There are always cases in which it is very hard to tell whether a man is making an ordinary investment or speculation, or whether he is engaging in a regular course of dealing which constitutes a business.

Mr. Smith (Calgary West): The size of the chancellor's boot, as you and I used to say.

Mr. Abbott: That is about it.

Mr. Simmons: If this section is not clarified to the satisfaction of those interested in mining development, I am afraid it will seriously affect the development of new properties.

Mr. Abbott: I would hope that the explanation I have given this evening would go a long way toward reassuring those people, and toward clearing up what I think has been some misunderstanding of the real situation. I repeat, there is no change whatever in the existing law. Rather there is a change in the existing law, because I think a practice has been prevailing since 1945 which was not justified by law, and we are now making legal what I think was of questionable validity under the ruling to which I have referred.

Mr. Simmons: That is the ruling of 1941?

Mr. Abbott: Yes.

Mr. Adamson: I realize what the minister is trying to do in this section, and I appreciate his intentions; but there has been a very considerable amount of worry in the legitimate mining business over this section, and I know the minister has received representations from people who are interested in prospecting and developing. That is why I

want it abundantly clear that there is no intention to tax as income any profit made from the development by a mining company or a mining syndicate of a worth-while prospect which is subsequently sold to the public and becomes a public company. That is so?

Mr. Abbott: I am afraid I did not follow my hon. friend very closely, but I answered him previously. On the facts he set up before, if an individual, a corporation or anybody else backs a new development, brings it to the mining stage and sells it, the profit on that transaction, even if he makes a habit of doing that sort of thing, is not taxable.

Mr. Adamson: Even if it was an incorporated company before he did it?

Mr. Abbott: That is right.

Mr. Adamson: Many companies are up against it for capital today—

Mr. Abbott: In the case of shares it would have to qualify as a speculation or investment, not as a marketing operation. But there would not be any objection to a mining company buying shares in an incorporated prospect, thereby providing the prospect with the cash to go ahead and do the development. Then if the prospect turned out to be a mine it could sell the shares and take that profit. That would be a capital profit. Of course, in the case I have cited, if they engaged in a marketing operation, took up options on additional stock and made a market for it, then what I have said would have no application.

Mr. Adamson: Thank you very much; I think that is clear.

Mr. Fleming: There is another place where an amendment will be required. That is at the top of page 23, in the third line. Will not "May 4" need to be changed to "May 10"?

Mr. Abbott: That is correct, and I thank my hon. friend for calling it to my attention. I thought we had provided an amendment in each case where May 4 appeared and made it May 10, but I am afraid we have overlooked this one. I shall ask one of my colleagues to move that section 32, subsection 1, be amended by striking out the words May 4, 1950, in subsection 3 of section 95A and replacing them by the words May 10, 1950.

Mr. Fournier (Hull): I move accordingly.

Amendment agreed to.

Mr. Knowles: Now that the minister has taken us back to some of these earlier sections I wonder if he would be willing to spend a moment or two on section 26.

Mr. Abbott: I am quite ready to do that. I told my hon. friend this afternoon that we would go back to section 26 to take up a point with which he wanted to deal. However, I have two minor amendments to sections 22 and 24, so perhaps we could proceed with the rest of these sections and then go back to section 26 and move the two amendments to which I have referred. I do not think there is anything very controversial in the remainder of the bill.

The Acting Chairman (Mr. Lesage): Shall section 11 as amended, section 28 as amended, and section 32 as amended carry?

Sections 11, 28 and 32 as amended agreed to.

Sections 33 to 36 inclusive agreed to.

On section 37—*Interest.*

Mr. Fleming: I should like to mention a matter in connection with the imposition of interest. This is not by way of quarrelling with this section, because I am sure it will commend itself to the house since it involves a reduction in the rate of interest in this particular case from 7 per cent to 6 per cent. However, this gives me an opportunity to say that I think the Department of National Revenue is going unwarrantably far in imposing interest in the case of taxpayers who pay their current income tax on a quarterly basis, which means they estimate their income. I have seen one or two cases lately in which it seems to me the department has taken an attitude that is simply indefensible in insisting on charging interest on the balance required to be paid by a taxpayer who has made an estimate and who, after making his four quarterly payments, finds that his estimate was too low and so has a substantial payment to make on April 30 following. It seems to me that in the case of persons coming within that classification, people who make an estimate of their income and their tax and on that estimate make quarterly payments on their tax, the department has no business to expect them to do almost superhuman things in refining the estimate of their income. There are many people in that category who by March 31 cannot even come close to estimating their income for the year, and I submit as strongly as I can that in cases of that kind the department has no business at all imposing interest charges.

Mr. Abbott: My hon. friend will appreciate that this only applies to 1948 and previous years. The law in that respect has now been changed, but that was the law that applied in those years. The obligation was upon the taxpayer to estimate, and if he underestimated the interest penalty ensued.

Mr. Fleming: Quite so, but I am taking advantage of this opportunity to complain about the way that provision is being administered at the present time. While I appreciate that it is the Department of National Revenue and not that of finance, I do register a very strong protest against what I consider to be harsh administration.

Section agreed to.

Sections 38 to 43 inclusive agreed to.

On section 44—*Application.*

Mr. Abbott: I have a minor amendment here, Mr. Chairman, that provides for the insertion of section 115A. It is one of the new sections enacted by this bill.

Mr. Fournier (Hull) moved:

That clause 44 be amended by substituting the words "sections 115 and 115A" for the words "section 115" in lines 39 and 40.

Amendment agreed to.

Section as amended agreed to.

Section 45 agreed to.

On section 46—*Deductions from income of corporation in petroleum or natural gas business.*

Mr. Harkness: I have a few remarks I should like to make on this section, and a few questions I should like to ask. I am glad to see there has been a remarkable increase in interest in, and knowledge of, oil and gas development, particularly by people in eastern Canada, during the last two or three years. I have noticed it particularly, because in travelling across the country, when I tell people I come from Alberta they immediately start talking about the oil business; that was not the case a few short years ago. I think by now we all recognize the advantages to Canada of extensive oil and gas exploration and drilling programs. During the past two or three years we have had fairly extensive programs of that kind.

I should like to make the point that the taxation structure should be such as to encourage oil and gas men to further extend that program. I do not think there is any need to go into the advantages of that. If Canada becomes self sufficient in oil it means that the tremendous saving of United States dollars would go a long way towards righting our generally adverse balance of trade with that nation. There are a number of misconceptions which are common about the oil and gas business. A large number of people have the idea that all you have to do in Alberta is dig a hole any place, and you immediately get a gusher and are wealthy for the rest of your life. When some of the people I meet find I am from Alberta they say, "Do you own an oil well?" I have to admit with sorrow that I do not own an oil well. They seem to be surprised that anyone who comes from Alberta does not own one. The general idea seems to be that everyone in Alberta is wealthy and owns an oil or gas well, and there is no trouble about getting one. That is so far from the truth, it should not be necessary to say much about it, but I should like to put on the record a few figures to show what an extremely hazardous industry the oil industry is, and covering the profits which have accrued to people in that industry.

I have a compilation of the expenditures of twelve of the largest oil companies now operating in Alberta, and who have been operating there for a year or more. This shows what their returns have been up to date. These twelve companies have expended in exploration work, acquiring acreage for drilling and general operating costs—this excludes completely all costs of refining and relates to the expenditures incurred in the search for oil—$287,912,000. During that same period their gross return, which they received for the oil, amounted to $156,188,000, after they had subtracted from that the payment of royalties. In other words, they have spent the sum of $130 million more in the search for oil than they received for the oil which they found. I believe that is a good indication of the fact that this oil business has not been all gravy. It is not the easiest thing in the world to get oil. On the contrary, it is a very difficult thing. In the United States the general average of productive wells drilled is about one in five. There are four dry holes to one well which produces. Up to date in Canada it has been closer to twenty-three or twenty-four dry holes to one producing well.

A lot of people answer this by saying that a number of these companies have only been operating in the exploration and drilling business in Canada for a comparatively short time, and therefore you cannot take figures such as I have been giving as being indicative of the profit. I should like, therefore, to separate from the figures I have given the figures for the two companies which have been in operation there for the longest period of time, Imperial Oil Limited and its former subsidiary, Royalite Oil Company. During their entire period of operation these two companies, which were formerly one, have expended nearly $160 million, and they have received in return for that just over $111 million. These two companies, which have been in business the longest and have had producing wells for a long time in the Turner valley, have spent up to date roughly $48 million more than they received. Now, that gives an indication of the risky nature of

this business, and the fact that large sums have to be expended on exploration work before any returns are secured.

In view of that fact, I should like to make the point that during what is really the exploration period, so far as the development of the oil fields in Canada is concerned, and that is the period in which we are now, that exploration work should be burdened as little as possible by taxation costs which hamper operations. These costs prevent the companies from drilling as many wells as they might drill otherwise.

Coming to specific points in connection with this particular section, I should like the minister to clarify these bonus payments and other acquisition costs. In a brief submitted to the minister on February 21, 1950, the western Canada petroleum association asked that those bonus payments, and other acquisition costs in connection with securing leases, be allowed as expenses when the property had to be abandoned as unproductive. These expenses did not result in anything of capital value accruing to the company. As such they should be included as exploration expenses, the same as the costs of the geophysical survey. In so far as I can interpret this amendment, there is nothing in it to take care of costs of this kind. What is the situation in connection with these costs? Are they going to be allowed under these amendments?

Mr. Abbott: The answer to that is that this amendment excludes those costs. They cannot be amortized, but the depletion is permitted against it. My hon. friend is referring to the bonus payments, those payments that you bid for?

Mr. Harkness: Yes. I should like to suggest to the minister that costs of that kind, where no producing well has been brought in and where they do not represent any gain to the company whatever, should be allowed as an exploration cost or development cost, the same as other costs are.

My next question is this. In the explanatory note I see the following:

> Subclause (1). The new subsection (1) corrects a technical error in the existing subsection.

What is the technical error that is corrected?

Mr. Abbott: The words "the lesser of" were inadvertently omitted in the section as it now appears.

Mr. Harkness: Can the minister tell us what difference that makes? In other words, what is the effect of this change going to be?

Mr. Abbott: The amendment is to section 53 (1), and that section as it now stands reads as follows:

> A corporation whose principal business is production, refining or marketing of petroleum, petroleum products or natural gas or exploring or drilling for petroleum or natural gas may deduct in computing its income, for the purposes of The Income Tax Act, the lesser of.

Those words "the lesser of" were left out by accidental means; it was perhaps not quite a typographical error but about as close to that as possible. And then it goes on:

> (a) the aggregate of the drilling and exploration costs . . .

And so on. On reading the section it becomes quite clear that you need such words as "the lesser of" in order to make it comprehensible.

Mr. Harkness: Do I take it that the putting in of those words is going to make things less favourable for the oil companies?

Mr. Abbott: Oh, no. It is just to give the section meaning, which it did not have before.

Mr. Harkness: The explanatory note also states:

> Subclause (2). The new subsection (2A) provides a deduction for so-called "lease rentals" up to $1 per acre for 1949 and later years.

Mr. Abbott: It is the clause that excludes the bonus payments that my hon. friend was referring to.

Mr. Harkness: Yes. As I understand it the lease rentals expenditure, as it is called, of $1 an acre is allowed as an income tax deduction.

Mr. Abbott: It would not be without this section, but it is with this section.

Mr. Harkness: No, but with this section it will allow it. If the lease rental is $5 an acre, as I understand it, $1 of this would be allowed as a deductible expense but the other $4 per acre would not be allowed as a deductible expense. Is that correct? I understand that it does not matter really what the amount of that lease rental is per acre, that allowance will be made only up to $1. It might be $10 per acre.

Mr. Abbott: If it were an annual rental and exceeded $1 per year, only $1 would be allowed.

Mr. Harkness: Yes. It does not matter whether it is $5, $6 or what it is; the $1 is still allowed. That is the point I was getting at.

Next I should like to ask what the situation is in a case in which prepayment of this lease rental has taken place. For example, there are many individual freehold owners

of mineral rights, and they will give a rental only for a period of years, say for ten years or something of that kind. If, for example, the rental was only $1 a year, they would give a lease rental on a basis of a 10-year lease, at $1 a year; but they would give it only if they were paid the entire amount when the lease was entered into. In other words, they would have to get the $10 per acre at the start.

The reason for that is quite simple. There are many people who go into the oil business, and they would enter into contracts of this kind. They might have bad luck and put down a number of dry holes. The result is that the company would go broke. Then the man who had given this 10-year lease would of course have no means of collecting the money. In order therefore to ensure that he does collect the money, in many cases—and I think in the majority of cases—he wants to get the money when the lease is entered into. When that situation exists, when there is a prepayment of this lease rental will the deduction be allowed at the rate of $1 for say the ten years in this case that we instanced that the lease lasts?

Mr. Abbott: I would hesitate to answer that question on a hypothetical basis. I think you would have to look at the agreement. Under certain conditions, if it were a genuine prepayment and so on, it could perhaps be allowed or spread over the period. But I would have to see the agreement before I would feel free to give a definite answer.

Mr. Harkness: By that does the minister mean that what you might call discretion will have to be exercised in each individual case?

Mr. Abbott: No. It would depend on the facts. There is the law. The law says:

> (2A) In computing a deduction under subsection (1) or (2) no amount shall be included in respect of a payment for or in respect of a right, licence or privilege to explore for, drill for or take petroleum or natural gas other than an annual payment not exceeding $1 per acre.

That is clear enough. There is nothing obscure about that language. That would have to be applied to the particular contract which was entered into.

Mr. Smith (Calgary West): I think it is very obscure. Suppose it is a 10-year job and they paid for that all at once. Why do you not say they are allowed to deduct that?

Mr. Harkness: I think that the case I gave was quite clear. If prepayment had been made for ten years, shall the $1 an acre which had been paid all at once to cover the 10-year period be deducted year by year at the rate of $1 per acre?

Mr. Abbott: I would have to look at it when the circumstances came up.

Mr. Harkness: I do not know, but it would seem to me that as this will actually operate in practice, the interpretation which is going to be placed upon it is perhaps the most important thing. I should think that the minister could make that a little bit clearer for the benefit of the oil people involved.

Mr. Abbott: As I have had to say in this chamber before, Mr. Chairman, I used to charge for opinions of that kind, but I cannot do so now. I will therefore leave it to my other colleagues at the bar who earn their living in that way.

Mr. Harkness: I should like to ask the minister this question. Is a payment such as that in the hands of the recipient, say the farmer who gets it, considered as income in his hands, or is it not?

Mr. Abbott: That would depend on the circumstances of the case. I would think if it is an annual payment of so much an acre, it would be income. That is only a personal opinion, offhand; and free.

Mr. Harkness: It is considered as income. I would make the proposition that it should certainly be allowed on the $1 an acre basis over the ten years or fifteen years or whatever period the lease might last for.

I should like to go on to another point now, and that is the question of reservation and extension fees for these reservations. In the province of Alberta when an oil company applies to the Alberta government it secures what is known as an oil reservation which gives them the right to prospect for oil or to survey it and explore for oil on it. The normal payment for that I think is $250. That covers the reservation for the first year. Then the second year the company holds this reservation they get an extension as it is called; and the second year they pay 30 cents an acre for the right to explore on that land. If they wish to continue to explore on it a third year, they pay 70 cents an acre during the third year. I should like to ask if payments of that kind are included under this subsection 2A. In other words, are these reservation fees and extension fees allowable as part of the $1 per acre which is provided for in this amendment?

Mr. Abbott: I am informed that if they are annual payments, they would come under this section. I cannot speak from personal knowledge.

Mr. Harkness: I think these reservation and extension fees, as I have indicated, are annual payments. I think that your adviser, Dr. Eaton, could advise you in connection

with that. I think he knows much more about that than anybody else here. He knows much more about this than anybody else. I would take it then that companies of that kind are included. Can the minister say definitely whether they are included or not?

Mr. Abbott: I am basing my statement on information which I have received from officials that if they are on annual payment they would come under the section which we are discussing.

Mr. Harkness: Then there are certain other fees.

Mr. Smith (Calgary West): The minister is not charging for that opinion.

Mr. Abbott: No; these are all free opinions.

Mr. Harkness: I must say that in some of these opinions the minister is not committing himself very firmly.

Mr. Abbott: I do not want to infringe the prerogatives of the legal profession.

Mr. Harkness: I do not like to see so many loopholes left or opened up. The next question I should like to ask is in connection with lease agents' fees and legal expenses. When an oil company starts looking for leases it very frequently gets them from a lease agent whose business it is to pick up leases and to handle them as an agent might handle real estate or anything else. The ordinary fee paid to a lease agent runs anywhere from 10 cents an acre to a dollar an acre. And of course there are certain legal expenses in connection with securing leases. Unfortunately these legal expenses always seem to creep up, and in some instances they come to a considerable amount. Are these lease agents' fees and legal expenses incurred in connection with securing a lease applicable to this dollar an acre business?

Mr. Abbott: I am not familiar with that business, Mr. Chairman, but they sound like capital expenditures to me.

Mr. Smith (Calgary West): Lawyers' fees?

Mr. Abbott: Yes.

Mr. Smith (Calgary West): When did you find that out?

Mr. Harkness: I should like to point out that lease agents' fees or legal fees are as much of an expense to the company which is in the oil exploring and drilling business as any other sort of expense; and if they cannot be applied under this dollar an acre clause, then I would contend that they should be applicable under section 4, I think it is, which provides for exploration and other expenses being deducted. Will the minister tell me whether any of these things are deductible under what you might call general exploration expenses?

Mr. Abbott: I am afraid I cannot give any general opinion, but legal fees are a capital expense. If they are legal fees, for instance, incurred in acquiring a piece of immovable property, or if you hire a lawyer to examine title to a factory that you wish to purchase, it is a part of the capital cost of the factory. I suppose if you incurred some legal fees for the purpose of getting a lease it may be part of your leasing cost. I am speaking with a great deal of diffidence here because I know nothing about the way in which the oil business is conducted or how the lawyers who advise the oil companies or the lessees charge. I know that I am in the presence of experts here in that line, so I am speaking with a great deal of caution.

Mr. Harkness: Section 4 provides that all expenses incurred directly or indirectly in searching for minerals in Canada are deductible. My contention is that this type of expense is one which is not indirectly, it is really directly, incurred in order to be able to search for oil, and to take part in the search for oil, and as such it should be deductible. Under the regulations I think it comes down to departmental rulings. If the present departmental ruling does not include expenses of this sort I would urge upon the minister that it be changed so that they are included either in subsection 2A or subsection 4. It does not matter under which section it is put except that I think it would be better under section 4.

The next matter that I should like to deal with is surface rental costs. I do not see anything in either of these sections covering surface rental expenses. I understand in the past it has been ruled by the department that these surface rental expenses are not deductible as operating expenses. Why that should be I quite fail to understand. The situation is this, Mr. Chairman. In Alberta when an oil company goes on a man's land, what is known as an arbitration board sits on the case and determines what compensation that man, the owner of the surface rights, shall be paid for the inconvenience caused him by the oil drilling company going on his land and taking some of it out of production and, I suppose, for the right of entry and things along that line.

In Alberta the ordinary amount which has been awarded by the arbitration board has been between $1,200 and $1,500 per well site. In other words every time a company drills a well it has to pay the surface owner $1,200 to $1,500 for the right to drill. It has nothing

to do with the minerals underneath. In addition to that the arbitration board fixes the rental a year for the area around the well. The area taken is usually four acres, and for that four acres the usual arbitration award has run from $65 to $100 an acre. In other words, up to $400 a year is paid as surface rental for the four acres that surround the well site. This of course could not possibly apply under the dollar an acre business because the cost per acre is so much greater that it would have no effect, really.

Has consideration been given to looking at these expenses as normal exploration or drilling expenses? It is certainly an ordinary drilling expense, in my opinion. The minister said a while ago that anything that went on from year to year could be included in the dollar an acre provision, and so forth. This is a thing that goes on from year to year as long as the well is producing, and it seems to me it should be included as a legitimate expense for the production of oil. Can the minister make a statement on that?

Mr. Abbott: That particular point about rental for surface rights has not been brought to my attention so far as I am aware. I have listened to my hon. friend's remarks, and I shall ask the Department of National Revenue to see how they are dealing with it. I presume it must have been brought to their attention, but it was not included in the brief that the western petroleum—

Mr. Harkness: Yes, it was included in their brief—in fact I am quite sure it was.

Mr. Abbott: Not in the brief submitted to me. However, I will look into the question.

Mr. Harkness: The minister has mentioned the brief which was submitted by the western Canada petroleum association. In the past he has given favourable consideration to many of the recommendations which have been made by that association, which takes in all of the oil men engaged in exploring and drilling for oil in western Canada. What reception was given to or what decision was made on the recommendations that they submitted to him this year? We have already dealt with some of them, but in addition to that there is their recommendation that depletion be calculated on the basis of the income from each individual well or property instead of against all the wells of the company, after charging against such well or property only the cost directly attributed to it. What was done in connection with that, if anything?

[Mr. Harkness.]

Mr. Abbott: I had a very pleasant interview with representatives of the association. Careful consideration was given to their representations, and such of those representations as it was possible to implement will be found in the sections of the bill. It was not found possible to accept their request that depletion be calculated on individual well basis.

Mr. Harkness: Another matter which I have brought up here year after year, and which is contained as the third recommendation of this association, is that the deduction of drilling and exploration costs be put on a permanent basis. It was put on a three-year basis, and it has been extended for another year; or is it proposed to extend it by this act? I asked the parliamentary assistant about this when we were dealing with the resolution, and he said he understood considerable attention had been given to it but it had not been decided to make a change this year. I wonder if the minister can add anything to that?

Mr. Abbott: What the parliamentary assistant said is correct. We did not feel that we could yet put this very special provision on a permanent basis, but we have now put it on a three-year basis. They know three years ahead what the provision will be. At a later date it may be possible to carry out that recommendation which has been made, but I do not feel we can do it this year.

Mr. Harkness: I was glad when it was put on the three-year basis last year, and I am glad to find that that has been extended another year. I would hope further consideration would be given to it before the next budget is brought down, so that these various special deductions for oil and gas drilling companies might be put on a permanent basis, so that they would know where they stand and so that as a result of that provision they could lay out a ten-year program, or whatever it seemed wisest to do, always knowing their exact position.

Mr. Abbott: Further consideration will be given before the next budget.

Mr. Harkness: I can assure the minister that every oilman in Alberta is quite sure that this would assist them in raising capital and in extending their drilling program, which certainly would redound to the general benefit of the country as a whole.

There was a recommendation with respect to the right to deduct drilling and exploration costs, and such right being extended to any taxpayer. Under the act as it is at the present time these special drilling and exploration costs deductions are applicable

only to companies the main business of which is that of drilling for oil. It is considered out in that country that there are probably quite a number of mining companies with money available to them who, if these special deductions were extended to them, would go into the drilling business.

A request was made that the special gas and oil provisions be extended to any taxpayer so far as his operations in drilling for gas and oil are concerned. I wonder if the minister would make a statement on that question?

Mr. Abbott: I am sorry, but I did not catch the hon. member's question.

Mr. Harkness: I do not wish to repeat all I have said.

Mr. Abbott: I heard the first part of it.

Mr. Harkness: My question is this: What consideration has been given to placing all taxpayers who drill for gas and oil, even though that is not their main business, on the same basis as oil companies, so far as gas and oil operations are concerned?

Mr. Abbott: My recollection is that we began giving consideration to that back in 1943 or 1944, when I was parliamentary assistant to the then minister of finance, and we decided we should not do it. Our mind has not changed since then.

Mr. Harkness: Then, section 73 of the Income Tax Act—

Mr. Abbott: It has been repealed. We agreed to that recommendation. That is out.

Mr. Harkness: It has been repealed?

Mr. Abbott: Yes.

Mr. Harkness: I am glad that is so. I believe that will assist in the exploration program by making it possible to finance a considerable number of wells by means of royalty trusts, which otherwise could not have been financed. It is decidedly a step in the right direction, if that has been repealed. May I thank the minister for taking that action.

The Chairman: Shall the section carry?

Mr. Smith (Calgary West): No. I shall keep the committee for less than five minutes. But in dealing with all these sections and subsections I believe it is apparent that the government has lost the idea in connection with the general policy with respect to the development of oil in the country from which I come. What it should be—and the minister may tell me that this is the policy—is that, first, the government should not be inclined to collect income tax, except from those people who have earned an income. That is a very gentle statement of the situation; but I think perhaps it is a proper basis upon which to consider the matter.

I agree with the details mentioned by the hon. member for Calgary East—and do not regard that lightly, because we have talked the matter over in our room. Here is what, it seems to me, should have been done: the history of the industry indicates, and it is admitted by all of us, that the development of oil in Canada is a very important development indeed. I must assume that any government in Canada will do all it can to assist in that development, having in mind the benefit which will be derived by the whole of the country.

One need mention only the dollar situation to realize the significance of this. I am sure the minister will appreciate what I have in mind. My objection to what is being done is that the government has lost sight of the general benefits the country should have from this industry, and it is stumbling over little bits of things which, in terms of revenue to the country, mean very little. Yet, to the individual or company confronted with these things, they constitute stumbling blocks greater in extent than might have been envisaged by those who prepared them.

Let us refer to one point mentioned by the hon. member for Calgary East—and perhaps to only one. We approach the man who owns his own oil rights, having secured those rights back in the nineties. He is in the position of being on a wildcat acreage, in possession of a half-section. He says to the leasehound—those are the fellows who are always wanting to be regarded as exceptions, but you do not worry much about them—"a dollar an acre?—yes. You will not be here for some years, will you?" They say No. I am being very practical about this, because there are not nearly enough drilling outfits in the world to permit those companies operating under permit to conform with the conditions set out by the Alberta government. That is the reason we hear about farm-outs. Imperial Oil will see this company and that company on a split basis of return—farm-outs—in order to carry out the program.

This man says, "I am not going to give you a lease on my property for ten years at one dollar an acre, payable year by year,"—which in wildcat country is probably the going rate. He says, "If you will give me ten times $320, then I will talk to you. I will give it to you on the dollar-a-year basis, but I want cash in my little hot hand right now."

Under the present legislation the company, which pays him not $320, but ten times that, may on that basis deduct only one dollar an acre, or $320. At the same time the Department of National Revenue takes from the man who gave the company the lease, with prepayment over a ten-year period, income tax in that one year for all the money he got. Let us have a little bit of consistency about this matter. It is income in the hands of the recipient, and what is the situation with respect to the man who pays it? I go a step further. I am merely making suggestions, and I am not being tough about the matter. If we were back on the question of depreciation I could be very tough. I notice that the minister and the man who invented this cock-eyed depreciation are having a little chat at the moment.

What I say is that we should promote the purpose which the government has, which it must have, and for which I honour them. They are seeking the development of oil, and we all want that to take place. It seems to me that when it comes down to a question of charging an expense to make that development the department might even adopt an attitude of generosity. You should talk to Dr. Hume about it. It involves so much and so many things. An attitude of generosity would not hurt at all the development which is going on out there. With great respect, may I say that is not your attitude. Your position is that you have allowed implements such as drilling equipment to enter Canada from the United States duty free. You thought you had given somebody a great Christmas present. All you did was to give Canada a chance to develop. In dollars you have got it back a thousandfold. I am sick and tired of being told that last year you gave so much and this year you will give a little more. Why not make one bite of the cherry and simply say that expenses incurred in exploration will be allowed, particularly if they result in dry wells or non-productive areas. Let us quit quibbling about the matter and put an end to it by adopting that view. I know that in several other departments of federal and provincial governments such as workmen's compensation and unemployment insurance instructions have gone out that if a question of doubt arises it should be resolved in favour of the individual.

That is not the position with respect to the oil business. The oil business is not begging. These people, if their ideas of development are correct, will come out all right at the end of the road. When they do they will not mind the government imposing income tax to whatever extent the government thinks reasonable, but they do object to taxes being imposed on them now. With the greatest respect in the world to Dr. Eaton, they are being imposed on companies searching for oil even when the results of their searches are fruitless. Let us take one of the instances referred to by the hon. member for Calgary East. In the great generosity of your big hearts you have allowed $1 an acre. Suppose you cannot get the land for $1 an acre. Suppose it costs you $10 an acre. You drill the land and you lose your money. You have paid $10 an acre, and it is not much satisfaction to know that you are allowed $1.

In saying that I come back to the point that your purpose must be to encourage the finding and development of oil in Canada. I have enunciated your broad policy for you perhaps too generously but it is what you are doing in these small picayune ways. It is the pinpricks. You are using $1 an acre against $2 an acre and all that sort of nonsense. When a man pays $10 for a ten-year period $1 an acre will be his but the $9 is not. That sort of thing will not develop the oil business in Canada. I am not going to use harsh language. Oil development is taking place in spite of restrictions. I want to thank Dr. Eaton and the other persons with whom the oil people have had to deal for fair treatment within the knowledge which Dr. Eaton had supported by the knowledge given to him by those persons who call on him. Let us stop worrying in this House of Commons about $2 here and there. By proper encouragement and not picking on these people we will get $2,000 for every dollar we have been bothering about.

Therefore, Mr. Chairman, it is an attitude that I am talking about. I am not dealing with any of the details which have been touched upon. I wish Dr. Eaton would come to Alberta and I would drive him around to some of these places. There is oil in Alberta and in neighbouring provinces because it is not going to be confined to Alberta. Let us remember that within the past week the government sold two quarter-sections, only 160 acres each, for $3,188,000 by way of bonus allowance.

Mr. Low: Just the oil rights.

Mr. Smith (Calgary West): Only the rights and that by way of a bonus. They still have their $1 an acre, and perhaps it has put that figure into the minds of some people here. They still have 12½ per cent of the gross. That means that for every barrel of oil that comes out of the ground they will receive one-eighth. Let us get that idea into our minds. We are not dealing with little piddling things. I speak from a dominion standpoint. The minister is happy. He thought that some of the radio broadcasts he made straightened out the dollar situation.

With great respect, Alberta did more to straighten out the dollar situation than all the radio talks the minister ever made.

Mr. Abbott: A few other things helped besides Alberta.

Mr. Smith (Calgary West): Pardon?

Mr. Abbott: Alberta was very helpful but there were other things that helped besides, apart from the radio talks.

Mr. Smith (Calgary West): Rich Albertans stopped travelling. I think that was one of the things that happened, and those who were not rich never travelled anyway. Let us get down to cases and not talk a lot of nonsense about people going to Florida. Let us all grasp this vision. For all the dollars you are going to get by the few things mentioned by the hon. member for Calgary East, it will cost you more to collect them than you will have at the end of the year.

Let us think of this. We all agree on the development of industry within our country. We all say production is the only thing that can carry us, that production is the only thing that can carry a $2,400 million budget. I hope I am right in that figure. It not only staggered me; it staggered my imagination when I heard the minister mention it, but my memory was not staggered, so I think I am right in that. That budget can be carried and fulfilled if we are but generous to people who are doing big things, instead of inflicting little pinpricks in their sides or their backs or their bellies. That is all these refusals amount to with respect to these little things. But one of these little things to a man engaged on the job may become a big thing by the time he reaches the end of his road. The income you are saving by this—what is a nice word?

Mr. Abbott: Assistance to the oil industry.

Mr. Smith (Calgary West): Nonsense. I was going to use the word "puerile", but I thought that would be unkind; but what you are doing by this nonsense amounts to nothing in the economy of this country. When a man gets an oil well and an income, go after him; but for the love of all that is reasonable help him get that oil well producing. Do not hinder him, as you are doing by these refusals here, there, and elsewhere.

Section agreed to.

Section 47 agreed to.

On section 48—*Gift to His Majesty by wife or other dependent.*

Mr. Fleming: It is to be observed that provision is made here only in the case of a gift to His Majesty in right of Canada. The reasons for this amendment I think are quite obvious, and I have no doubt we will all support the amendment, but I am questioning why we should stop at gifts to His Majesty in the right of Canada. If we refer back to section 36 of the bill we see that in the case of the gift tax provision is made for exempting gifts to His Majesty in the right of Canada, or in the right of a province, or gifts to a municipality. I do not know if there are any gifts to His Majesty in the right of a province or gifts to a municipality in issue here, but I cannot quite follow the logic of limiting the provisions of section 48 to gifts to His Majesty in right of Canada and stopping there, when in section 36 we make provision for gifts to His Majesty in right of Canada, gifts in right of a province and gifts to municipalities.

Mr. Abbott: If my hon. friend will think back he will remember that this section and the corresponding section in the old act provide for special gifts to His Majesty in the right of Canada relating to income tax alone, in order to avoid a very heavy penalty or very heavy additional tax in the case, let us say, of a married man whose wife had a certain amount of separate income which would run him into a higher bracket. I am told this is simply to carry forward and take care of some special transition provision in connection with that tax. It does not relate to gifts in the ordinary sense at all. It is simply a special enabling provision which was in the old act and has been carried forward in this act, permitting taxpayers, by making a gift to His Majesty within a certain period of time, thereby to save themselves or their consorts a very substantial amount of income tax.

Mr. Fleming: I quite agree with the purpose of the section.

Mr. Abbott: There could be no purpose in making the gift to anybody else for that purpose. It is simply the gift of an amount to reduce the income below a certain taxable level.

Mr. Fleming: I expect that all hon. members are familiar with the way that type of gift has operated, because there have been many cases of that kind. But if we recognize in principle a broader kind of gift in the other section I am just wondering why this provision could not be broadened to include gifts to provinces or municipalities.

Mr. Abbott: The gift here is to be applied on account of the tax liability, for the reasons I have mentioned.

Section agreed to.

Income Tax Act

On section 22—*Income of beneficiary.*

Mr. Abbott: I am going to have to revert to this section in order to move a minor amendment. I have also a minor amendment to section 24. Then I assured the hon. member for Winnipeg North Centre that there would be an opportunity to discuss section 26, on which he has some points he wishes to raise. The amendment to this section reads:

That subclause (2) of clause 22 be amended by adding to subsection (6A) of section 58 the following words:
"but shall, for the purpose of section 20, be deemed to have been allowed to the trust or estate under those regulations in computing its income for the year."

Mr. Fournier (Hull): I move accordingly.

Mr. Abbott: This is a purely technical amendment.

Amendment agreed to.

Section as amended agreed to.

On section 24—*Non-application of paragraph (a), ss. (2), sec. 73.*

Mr. Abbott: The first amendment reads:

That subclause (2) of clause 24 be amended by substituting "1949" for "1950" therein.

Mr. Fournier (Hull): I move accordingly.

Amendment agreed to.

Mr. Abbott: The second amendment adds a new clause, exempting for the purposes of income tax payments or grants made by provincial governments to those producer co-operatives organized under provincial legislation. The amendment reads:

That subclause (1) of clause 24 be amended by substituting the word "subsections" for the word "subsection" in line 24 and adding the following within the quotation marks:

"(3) Where a corporation that was incorporated under provincial legislation respecting the establishment of co-operative corporations for the purpose of marketing (including processing incident to or connected therewith) natural products belonging to or acquired from its members or customers, of purchasing supplies, equipment or household necessaries for or to be sold to its members or customers or of performing services for its members or customers has received a grant from the government of a province that was not fixed by reference to natural products marketed, supplies, equipment or household necessaries purchased or sold or services performed by it,

(a) no amount shall be included in respect of the grant in computing the corporation's income for any year, and

(b) paragraph (h) of subsection (4) of section 20 is not applicable in respect of any property in respect of or for the acquisition of which it was received."

Mr. Fournier (Hull): I move accordingly.

Amendment agreed to.

Section as amended agreed to.

[Mr. Abbott.]

On section 26—*Certain payments from pension funds.*

Mr. Knowles: This afternoon I discussed with the minister a particular problem relating to the deductibility of payments into pension funds. As I understand the general rule now in force, it is that payments into approved pension or superannuation funds are deductible for income tax purposes, with the consequence that when a pensioner receives payment under a pension plan those payments are taxable. What is the situation with respect to persons receiving pension payments from a fund into which they made their contributions at a time when those contributions were not allowed as a deduction for income tax purposes?

Mr. Abbott: All the payments were made before the period when they became deductible?

Mr. Knowles: As a matter of fact I have in mind two kinds of cases, but I was trying to simplify it by taking first the case in which all the payments were made before those payments were allowed as a deduction.

Mr. Abbott: In that case it would be all exempt when it came out.

Mr. Knowles: What was the year when the change was made? Was it 1944?

Mr. Abbott: It was following the report of the Ives commission. I would be inclined to think it was 1945, but I would have to check on that.

Mr. Knowles: What about the case of a person who paid into a fund prior to 1944 or 1945 when no deductibility was allowed, but who continued to pay in for a year or two after that before going on pension? I am told that there are cases of persons who, because they continued to pay for a couple of years after the time when those payments in were allowed as deductions, they are not now permitted to receive their payments free of tax.

Mr. Abbott: I am told that if the payments in straddled the date on which the change was made, which would appear to be the case just outlined by my friend, there is an apportionment of the pension coming out as between the taxable portion and the non-taxable portion. If the payments had been made in for two years which were deductible for income tax purposes, under the new ruling then the appropriate part of that pension represented by those two payments would be taxable and the remainder would be exempt.

Mr. Knowles: I think I am prepared to let it go at that, for that seems the way it ought to be. It does not jibe with the statements made in a letter to me by the Acting Minister of National Revenue with respect to a particular case. I shall send the national revenue people a copy of today's *Hansard*, for the minister's statement will back up our case.

Section agreed to.

Title agreed to.

Bill reported.

Mr. Speaker: When shall this bill be read the third time?

Mr. Knowles: Next sitting of the house.

WAR VETERANS ALLOWANCE ACT

PROVISION FOR BENEFITS FOR CERTAIN FORMER MEMBERS OF FORCES OTHER THAN CANADIANS

The house resumed from Tuesday, May 16, consideration of the motion of Mr. Gregg for the second reading of Bill No. 180, to amend the War Veterans Allowance Act, 1946.

Mr. P. E. Wright (Melfort): This is one of those bills, Mr. Speaker, where one criticizes the government for their sins of omission rather than their sins of commission. The act does certain things which everyone in the house agrees with, but it fails to go far enough. It fails to take care of some inconsistencies and some needs which exist today. For instance the amount payable today under the War Veterans Allowance Act is just $40.41 per month. I do not think anyone will argue that is sufficient to meet the needs of an aged veteran. When this bill was passed in the first place, it was passed for the purpose of taking care of the prematurely aged war veterans who had served in the first war. The payments under it today certainly are not enough to do that. As a matter of fact, the government admitted that last year, by passing a special appropriation of $500,000, which was made available to take care of needy cases under this act. This year the minister has in the estimates an amount of $750,000 to take care of special cases of need.

It seems to me it would be far better if we were to increase the payments under the act rather than put on another means test, as we do under these special payments, and have the investigation which goes with it. If this bill had gone to a veterans affairs committee, it could have been discussed and we could have heard the submissions of the various veterans organizations in Canada with respect to this matter. There is another aspect of which we have not heard in connection with this matter. There is a lack of markets in Canada for certain products. As a matter of fact, there are two ministers of our government overseas today trying to find a market for surplus products which we have. I have no objection to seeking markets abroad providing we cannot find a market at home for those products. I think we are neglecting the market at home. If we provided an additional $10 per month to the prematurely aged veteran, I am sure that money would be spent in Canada to purchase many of the goods which are in surplus supply in this country today.

Instead of creating purchasing power at home, what are we doing? We are making loans or gifts to governments overseas so that they can purchase these products. It seems to me we would be much farther ahead if we first supplied these things to our own people. I am sure this is one way we could do it. There are many anomalies under the act. I know in my own constituency there are people who immigrated to this country from enemy countries after the first war, who are today receiving old age pensions. In the province of Saskatchewan they are getting more security under that old age pension than we are giving to our prematurely aged veterans of the first war under this act. It seems to me to be reasonable that the Department of Veterans Affairs should at least make the payments under the War Veterans Allowance Act equal to the best old age pension of any province in Canada; that is the least the government should do.

Then there is the matter of the widows of veterans who will be included under this amendment to the act. These will be the widows of veterans of the various wars which have been fought in the past. If the veteran lived in Canada for twenty years, his widow will be entitled to receive the war veterans allowance. If however the veteran died before completing his twenty years' residence in Canada, his widow will not receive the war veterans allowance. I feel sure there should be an amendment to the act to take care of these cases. There is also the matter of service in England to consider. For a number of years every veterans organization in Canada has been asking that service in England be considered for the purposes of the War Veterans Allowance Act, that is service in England during the first war. As time goes on, we are going to find that the veterans of the second world war will be entitled to the war veterans allowance for service in England, while the older veterans will not be entitled to it. As a matter of fact, we have cases today of men who served in both the first and the

second war, and who went to England. They are now entitled to the war veterans allowance. Their comrades who did not have the opportunity of serving in the second war are not entitled to that allowance. I feel that England should be declared a theatre of war for world war I. This would remove the anomaly under the act, and would place all veterans in the same position. These are just two or three things which I believe should be discussed further. That is one of the reasons why we in this group have insisted that we should have a permanent veterans affairs committee of the house before which we could take these different acts which have to do with veterans affairs, have them discussed, hear evidence from the various veterans organizations in the country, and come to some unanimous agreement as to the best treatment that we can give our veterans.

Mr. Victor Quelch (Acadia): There are just a few comments, Mr. Speaker, that I wish to make at this time. There is no doubt that the veterans organizations across Canada will be glad that at last we have granted entitlement to the war veterans allowance to former members of His Majesty's forces who fought prior to 1921 and who have been resident in Canada for twenty years or more. The act, however, goes beyond that and also includes former members of foreign powers who fought with us in the wars before 1921, but against us in the last war.

I am not opposing the proposal to make the war veterans allowance available to men of foreign powers, even though they may have fought against us in the last war. I feel, however, that before we bring in that group of men we should make more adequate provision for our own men who are receiving the war veterans allowance; and by that I mean that we should increase the amount of the war veterans allowance from $40 a month to $50 a month in order to put it on a level with what is paid under the Old Age Pensions Act in Alberta and British Columbia. But more especially I feel that the time has come when Britain should be declared a theatre of war in world war I.

We have made England a theatre of war in world war II, and I think the time has now come when England should be recognized as a theatre of war in the first war. After all, it is merely an arbitrary decision on the part of the government to declare that it was not a theatre of war. As a result of this amendment, it seems to me that we are going to have some undesirable situations in many communities. There will be veterans of Canada's armed forces who volunteered for overseas service in world war I, who may have actually served three or four years overseas and who today may be 100 per cent incapacitated but yet are refused any benefits from the Department of Veterans Affairs on the ground that their service did not extend beyond England. Yet at the same time, as a result of this amendment, there will be veterans of foreign powers who fought with us in world war I but whose country fought against us in world war II, who have resided in this country for twenty years, and will now be eligible for the war veterans allowance; and they may be men whose physical condition may be far better than that of our own Canadians who are refused any help at all. That situation of course can only be taken care of by declaring England a theatre of war in world war I.

I think many people in districts throughout Canada are going to be somewhat disturbed when they see veterans of foreign powers that fought against us in the last war receiving the war veterans allowance when our own men are refused it. Mind you, I am not saying that these men fought against us in the last war but the country of which they are nationals fought against us. I realize that the act states that if these men fought with us in the first war and then fought against us in the second war, they will not get the benefits. But if their country fought against us in the second war they are apparently eligible. For instance, Italians who fought with us in the first war and yet whose country fought against us in the last war, I take it will be eligible for the benefits of this act even though they were interned during the last war. I take it that under this act Japanese who fought with us in the first war and yet whose country fought against us in the second war will now be eligible for the benefits of the War Veterans Allowance Act. I think it will be a rather disturbing picture to many communities when they see our own men who volunteered for overseas service, who went overseas for three or four years, refused a pension merely because England was not declared a theatre of war. As I say, I am not opposing the idea of the bonus of the war veterans allowance being paid to these men but I think that before that is paid we should more adequately take care of our own veterans.

I now wish to say just a few words with regard to the widows of veterans of His Majesty's forces who died before completing twenty years' residence in this country and who are thereby declared ineligible for the benefits of the act. I find it extremely hard to see any sense or reason for that ruling. So long as a veteran came to this country over twenty years ago and did not leave the

country, it seems to me that his death should not affect the granting of a pension to his widow, provided she has continued to live in this country since his death. Those are matters that I think should be given further consideration. I hope the minister can find it possible to refer this measure to a committee in order that these matters may be discussed, especially the matter to which I have referred with regard to nationals of foreign powers who fought with us in the first war and yet fought against us in the last war.

Mr. Howard C. Green (Vancouver-Quadra): This whole question, Mr. Speaker, was dealt with at some length when the resolution preceding the bill was under consideration. I therefore have comparatively little further ground to cover tonight. At the outset I should like to support the suggestion made by the hon. member for Acadia (Mr. Quelch), that this bill be sent to a committee. Throughout the session I have regretted that a special committee was not set up to deal with the problems of the veterans. But at the very least this bill should be sent to a committee, and I think such committee should be made up of veterans who are members of the house, just as has been the case in other sessions when we have had a special committee.

The bill is divided into two parts. One deals with the benefits which are now to be given to those imperials who settled in Canada up to the year 1930 and to other groups who served in other allied forces during the first war. Personally, I am greatly pleased that the imperials are at last to be made eligible for the war veterans allowance; but I urge upon the minister once more that a wider provision be made for the widows of these men. As he knows, we pointed out to him during the earlier discussions that it was unfair that all the widows should not be covered. Now we find, from the way in which the legislation reads, that the widow will not qualify unless her husband had been alive in Canada for twenty years. The test should be just the other way around. In other words, if he came here twenty years ago the widow should be eligible. Many of the widows came from the old country. In addition I imagine there would be quite a few who were native-born Canadians and who married imperial veterans. Neither group will be eligible unless the husband was actually alive for twenty years in Canada. I hope it is not yet too late to amend the legislation to cover both of these groups.

The second part of the bill deals with administration, in that for the first time it provides that committees shall be set up in the districts called district authorities. These district authorities are to exercise practically all of the powers that from 1930 to the present time have been exercised by the war veterans allowance board. I think that is a wise move, but it is a very drastic change in the handling of the war veterans allowances. That fact alone would justify the setting up of a committee, because there are many points which arise by virtue of the fact we are now to have these district authorities.

I hope that they will have power to review any case which has been dealt with in the past by the war veterans allowance board. Suppose a person has applied for war veterans allowance and has had his application rejected; I hope that it will now be possible for that veteran to apply to the district authority. The minister did not make that clear when he spoke on the earlier occasions. I would ask him to let us know whether the intention is that any veteran who has been turned down will now be able to apply to his district authority.

It also seems to me that the time has come to write into the War Veterans Allowance Act a benefit of the doubt section. There is such a section in the Pension Act numbered 63, which reads in this way:

> Notwithstanding anything in this act, on any application for pension the applicant shall be entitled to the benefit of the doubt, which shall mean that it shall not be necessary for him to adduce conclusive proof of his right to the pension applied for, but the body adjudicating on the claim shall draw from all the circumstances of the case, the evidence adduced, and medical opinions, all reasonable inferences and presumptions in favour of the applicant.

I suppose we have taken it for granted that the benefit of the doubt is being applied in the case of an application for war veterans allowance just as in the case of an application for pension. But it is not the law. Under the War Veterans Allowance Act there is no such benefit of the doubt clause. I have reached the conclusion personally that these ageing veterans will not get the kind of treatment to which the public believes they are entitled unless there is a benefit of the doubt clause written into the act.

When I spoke earlier I mentioned several types of cases, in which I thought there had been unfair decisions, and cases of that type would be covered if there were a benefit of the doubt clause. For example, the one that worries me the most is this question of the veteran who is under 60 years of age, or the widow who is under 55 years of age. In the War Veterans Allowance Act we find two provisions to cover them. In the first place

if they are permanently unemployable because of physical or mental disability they can qualify, although they have not reached the age of 60 in the case of the veteran or 55 in the case of the widow. But then there is also this other provision:

is incapable and unlikely to become capable of maintaining himself or herself because of economic handicaps combined with mental or physical disability or insufficiency.

I have always been of the opinion that that would cover practically every other case where the veteran was unable to earn his living; but within the last few months I have had two such cases brought to my attention which were decided against the applicant; one the case of a woman who qualified herself as a veteran, and the other the case of a widow both of whom I believe are unable to earn a living and are about 50 years of age. They cannot get work, and I do not consider that they are physically fit to work even if they could find a job, and yet it has been decided by the board that they do not come under either of those clauses. It may be that the board is correct in the strict interpretation of the act, but I know that was not the intention of members of parliament who served on the various veterans affairs committees. I believe these cases would be covered if there were a benefit of the doubt clause written into the act.

Other cases have to do with casual earnings. We thought that we had that casual earning provision broadened out to such an extent that anybody who had earnings which the ordinary person would consider were just odd amounts would not have those amounts counted against him in his application for an allowance. I doubt whether the board has been interpreting the provision in just such a wide way.

Then there are other instances. Perhaps you might call them borderline cases. But I do suggest that these borderline cases should get the benefit of the doubt. I would ask the minister to give consideration to putting in a benefit of the doubt clause which would make it clear beyond any question that parliament intended that borderline cases would be covered.

This change in the administration of the act also brings up another question, and it is this. A year ago an assistance fund was set up. The minister will correct me if I am wrong. I believe it is called the assistance—

Mr. Gregg: The war veterans allowance assistance fund.

Mr. Green:—the war veterans allowance assistance fund, which, in effect, merely provided relief for war veterans allowance recipients who were drawing the full amount of allowance. It is of no use to a veteran who is not drawing the full allowance. For example, I believe if he gets a pension of 25 per cent he cannot then get the full war veterans allowance and therefore would be ineligible for help under this fund, although actually he would not be getting any more than $40.41 if a single man; but because of the fact that he does not get it all in the form of war veterans allowance he does not qualify for help under the assistance fund. Furthermore it is only a vote; there is no legislation behind it; it depends on a vote being brought in each year, and that of course is a very uncertain and unstable way to provide for this help. There should be a statute providing for that assistance so that the rights of the veterans will be very clearly defined and that the help will not be subject merely to a parliamentary vote being brought in each year.

This assistance fund at the present time, although called a war veterans allowance assistance fund, is not being administered by the war veterans allowance board. It is administered by the welfare branch of the Department of Veterans Affairs. I would suggest that when these amendments become law, and we have the district authorities set up, such authorities should be given power to administer the assistance fund. That would seem to be more reasonable than having one group dealing with war veterans allowances and another group dealing with the assistance fund.

But the very fact that it has been necessary to set up an assistance fund and, in this year's vote, to increase it from $500,000 to $750,000, proves beyond the shadow of a doubt that the war veterans allowance itself is not ample, and that there should be an increase in the amount of war veterans allowance. If that were done, once the veteran had established a right to the war veterans allowance he or she would get an adequate amount; whereas at the present time the veteran gets only the old figure, and then has to go through a second means test every year in order to get help from this assistance fund—and he cannot get very much, at that. It is limited in the case of a single man to $10 a month and in the case of a married veteran to $15 a month, and as I have pointed out, unless he is getting full war veterans allowance, he cannot get any help at all under the assistance fund. You see, the cost of living is higher than it has ever been. The old age pensioners are getting more, in at least two of the provinces they are getting $10 a month more than the veteran can get; in fact, it means a good deal more than that in the case of the married

veteran. The single veteran in British Columbia gets $40 a month—to be exact it is $40.41—and the single old age pensioner gets $50.

Mr. Gregg: Not all your old age pensioners get that.

Mr. Green: The veteran without any other means gets $40.41, while the old age pensioner without any other means gets $50.

Mr. Gregg: Not all of them.

Mr. Green: In British Columbia.

Mr. Gregg: Not all your old age pensioners in British Columbia get $50.

Mr. Green: I think the minister is wrong; I believe they all do.

Mr. Gregg: No.

Mr. Green: If they are entitled to the dominion-provincial old age pension of $40, then the province adds $10 more. In fact, the province adds $10 even though they are not entitled to the full $40 under the dominion-provincial legislation. The province adds a bonus of $10, so that they are getting up to $50 a month. The veteran is properly a charge of the dominion government, just as the province has some responsibility in respect of the old age pensioner, and adds on $10 a month. It is an impossible situation when the veteran gets less than the old age pensioner in the province. I do suggest the time has long since passed when the war veterans allowance recipient should get the same amount as the old age pensioner.

I think the only way in which we will get this legislation made right is by referring it to a committee, allowing veterans organizations to make representations and giving the opportunity to members of the committee to question officers from the Department of Veterans Affairs and to go into this whole matter. If we do not do that it is very unlikely that there will be any legislation brought in at the next session in connection with the War Veterans Allowance Act. In fact, it might be quite impossible to get any further amendment to the act during the whole life of the present parliament. If we are to follow the course which has been followed by parliaments in Canada ever since the first war in dealing with veterans legislation as important as the bill before the house tonight, then we certainly should have a parliamentary committee. I hope the minister will agree to having such a committee set up, and to having this bill referred to that committee for study.

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

Mr. Green: Could we have an answer from the minister?

Mr. Gregg: I would prefer if the house would agree to my dealing with the points pertaining to the bill when we get into committee.

Motion agreed to and bill read the second time.

Mr. Speaker: Mr. Gregg moves that I do now leave the chair for the house to resolve itself into committee on the bill.

Mr. Wright: At this point, Mr. Speaker, I should like to move that—

Mr. Speaker: Order; this motion is not debatable.

Mr. Wright: I am moving an amendment to the motion.

Mr. Speaker: The motion itself not being debatable, it is not amendable.

Mr. Wright: I would refer Your Honour to Beauchesne, citations 699 and 406, where Your Honour will find that authority is given to move that a bill be referred to a select committee on the motion that Mr. Speaker leave the chair for the house to go into committee of the whole.

I therefore move—

Mr. Speaker: As I have mentioned previously, this motion is not debatable, and not being debatable, it is not amendable. The hon. member for Melfort has referred to Beauchesne, third edition, as his authority to move that a bill be referred to a select committee on the motion that Mr. Speaker leave the chair for the house to go into committee of the whole. May I point out that citation 699 in Beauchesne's third edition is taken from Bourinot at page 519 where it is stated:

> Any bill may be referred to a select committee in amendment to the motion for the house to go into committee of the whole, or on the reading of the order for committee.

That is taken from the debates of the House of Commons of Canada in connection with the marine electric telegraph bills, referred to in Canadian Commons *Hansard* for 1879.

I might point out to the hon. member that in 1879 a motion for Mr. Speaker to leave the chair for the house to go into committee of the whole was debatable. Since that time, however, the rules have been changed so that the motion is not debatable.

Is it the pleasure of the house to adopt the motion?

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

War Veterans Allowance Act

On section 1—*Newfoundland veterans.*

Mr. Gregg: Mr. Chairman, I should like to touch briefly upon points made in earlier discussion both on the resolution and on the bill, but particularly those things affecting the bill itself. First may I refer to the observations of the hon. member for Kamloops as they are reported at page 1749 of *Hansard*, where he said:

> I have had cases where . . . it has . . . . taken months, in fact nearly a year, to complete a case . . . to the final disposition.
>
> It seems to me that no administration should take from six to nine months . . .

It may be that in cases requiring special investigation an inordinate length of time has been consumed but I am sure that hon. members know of their own personal knowledge that those are unusual cases. I will be the first to admit that in many cases it has taken too long to adjudge applications, and it is our sincere hope that the plan suggested here will help to shorten the time required.

At page 1752 of *Hansard* I think the hon. member for Winnipeg North Centre shows a misapprehension about the payment of allowances when recipients of war veterans allowance are taken to hospital. He stated:

> . . . I think it is a reasonable request that the wife of a veteran . . . who has to go to hospital, should get not less than she will get if she becomes a widow.

She does not get less under any circumstances. If a veteran is receiving $70 per month for himself and his wife, and he is admitted to hospital, usually about $15 is suspended leaving her with $55 which is more than she would receive if she were a widow.

The hon. member for Kings referred to a veteran who applied for war veterans allowance and was told that the expiry date for receiving such applications was in the year 1936. Of course that is untrue. There is no expiry date so far as war veterans allowance is concerned at the present time.

The hon. member for Calgary East referred to the supplementary allowances, and I should like to quote his exact words as recorded at page 1754 of *Hansard*. He said:

> So far as I know, no one in that part of the country from which I come has received the benefit of that $10; no matter how desperate his circumstances may have been, he just did not get it.

In the Calgary district from which my friend comes supplementary allowance has been granted to 341 recipients out of 443 applicants. In short, more than 25 per cent of all those who receive war veterans allowance in the district have been receiving benefits from the assistance fund. I think those are the main points raised on the resolution and the bill. As to the point made by my hon. friend a few minutes ago about those who will become eligible if the bill is put into effect, I am free to confess to the committee, Mr. Chairman, that after all the discussions of this matter going back for ten, twelve or fifteen years it was not until recently that anybody, even the veterans organizations themselves, got down to cases and said to themselves, "Where are we going to draw the line?" My hon. friend and I, among others, applauded loudly when my colleague, the Secretary of State for External Affairs, and others talked about the peace of the world and better understanding between nations, about those who have come to Canada from other countries, have lived here for many years, and have taken part in the development of the country, and how we should begin to forget what their background was, what country they came from, their race or their creed. We have all thumped our desks and rightly so.

I am not going to go into detail on this question except to say that I would feel most unwilling to stand in the house and defend any other course than is reflected in the bill. In the case of those from across the Pacific who served with us in the first war, have been twenty years in Canada, and have taken part in the life of Canada, even with all the bitterness of feeling that has existed in the last ten years, I think we would be breaking down something if we did not treat them here in the same way as those who have come from the United Kingdom. I am the first to admit that I saw the difficulties referred to by my hon. friend. I suppose those things do occur in the administration of any such legislation. After all, we can only go step by step in these matters, keeping in step, if you like, with nineteen other departments of government. I am quite certain in the knowledge that progress is being made in the protection against hardship of those ageing veterans who have fought in battle, and that our people will understand if anomalies turn up here and there.

The hon. member for Vancouver-Quadra referred to the benefit of the doubt. Frankly I had never thought of that in relation to the War Veterans Allowance Act. I think he will admit the Pension Act is a little different. Under that legislation doctors and lawyers have a go at it and there are certain very fine decisions to be made based upon opinions that are professional in nature. The factors surrounding the ageing veteran are not quite so professional. They are more rules of thumb. They are facts as to the living conditions under which the veteran is found, of trying to find out these factors without being too much of a policeman in doing so, of trying to size them up and add them together and see whether or not they come within the spirit of the act.

[Mr. Speaker.]

I hope the cases he referred to can be reviewed again, but by and large I feel safe in saying that the benefit of the doubt has been put into practice in dealing with applications in the past.

Mr. Green: Then there would be no objection to putting it into the law.

Mr. Gregg: Frankly I do not see any object in doing so. A question was asked whether a veteran who was in receipt of war veterans allowance in the past under the former method of administration will be able to have his case reviewed, or whether he can apply again if he was turned down in the past. Under the new plan the answer to that is yes. As my hon. friend knows, under war veterans allowance the man may apply as many times as he thinks he has a case.

The administration of the assistance fund has just passed through its first experimental year. So far as investigations are concerned they were conducted by those who had training in welfare work. They were not always employees of the Department of Veterans Affairs. Some of the investigations were conducted by trained social service workers within the community at the request of the department. It was done with the purpose of overcoming the charge that there is sometimes a second means test on top of a first. From my observation, in the main I think it has worked quite well.

As to referring the bill to a committee, in principle I can assure you at once that I have no objection. In practice, however, I cannot see the object. The points that have been made with respect to an increase in the basic rate at this time have been dealt with by myself this session, and I must repeat that I am not in a position to recommend an increase in the basic rate at this time. Consequently I can see no object in bringing that matter before a committee. I believe the points incorporated in this bill can be dealt with adequately in committee of the whole, which will give the board and those charged with the administration of the act an opportunity to put it into effect at the earliest possible moment.

Section stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow we will take up second reading of Bill No. 209, to amend the Prairie Farm Assistance Act, 1939. Then we will take up the estimates of the Department of Agriculture. If we are fortunate enough to complete those we will take the estimates of veterans affairs.

Mr. Fleming: What about third reading of the Income Tax Act?

Mr. Abbott: We do not have to announce it; it is at the head of the order paper anyway.

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

HOUSE OF COMMONS

Friday, May 19, 1950

The house met at three o'clock.

FLOOD CONDITIONS

SOUTHERN MANITOBA—BENEFIT BARN DANCE FOR RELIEF FUND

Mr. J. S. Sinnott (Springfield): Mr. Speaker, I rise on a point of personal privilege. Following a lengthy telephone conversation last night with a group of my constituents, I wish to announce that a huge benefit barn dance will be held at my farm early in June, and that the total proceeds will be turned over to the Manitoba flood relief fund.

My point of privilege is this. We are flood-conscious, and wish to stress the need to help those people who were so unfortunate as to be forced from their homes by this disastrous flood.

EXCHANGE OF TELEGRAMS BETWEEN PRIME MINISTERS OF THE UNITED KINGDOM AND CANADA

Hon. Brooke Claxton (Acting Secretary of State for External Affairs): Mr. Speaker, the following telegram has been received from the Prime Minister of the United Kingdom through the Secretary of State for Commonwealth Relations, addressed to the Secretary of State for External Affairs:

> On behalf of my colleagues and myself I should like to convey to you the deep concern with which we have learned of the serious floods in Winnipeg. Please express our heartfelt sympathy with those who have suffered in the catastrophe.

The following telegram was sent by the Prime Minister (Mr. St. Laurent) to Mr. Attlee:

> My colleagues and I deeply appreciate the United Kingdom government's message of sympathy for those who are suffering from the serious floods in Manitoba. Your message reached me just before I went into the House of Commons today and I made it public from my place in the house.

Subsequent to those messages we received from the Secretary of State for External Affairs and our high commissioner on the other side the report of an interview with Mr. Attlee, at which Mr. Attlee asked if there was any way in which the help of the United Kingdom government or its people could be extended to the people of Manitoba. That offer was very warmly received and has been communicated to the premier of Manitoba.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, I should like to associate myself with the statement made by the Acting Secretary of State for External Affairs (Mr. Claxton) as to the appreciation which I am sure is felt by every member here as a representative of his constituency, of the generous and sympathetic offer made by the government of the United Kingdom. Undoubtedly the way in which this offer was made will help to continue and to emphasize the warm and friendly association which exists, and I hope will always exist, between this country and the United Kingdom.

HANDICAPPED PERSONS

ANNOUNCEMENT OF POSTPONEMENT OF DOMINION-PROVINCIAL CONFERENCE

Hon. Humphrey Mitchell (Minister of Labour): Mr. Speaker, for the information of hon. members and the interested public I feel I should announce that the dominion-provincial conference on rehabilitation of the handicapped, which was scheduled to be held in Ottawa May 25 to 27, has been postponed on account of the Manitoba flood. Upon the suggestion of the premier of Saskatchewan, and after consultation with the health authorities of Manitoba and Alberta, this action was found advisable. Many of the delegates from these three provinces who would like to attend the conference, are busily engaged in looking after sufferers and evacuees from the flood area. The interdepartmental committee, made up of representatives of the departments of labour, health and welfare, and veterans affairs studied the situation at a special meeting, but were unable to suggest another suitable time for the conference because of the difficulty of getting accommodation. However, it should be clearly understood that the conference will be held as soon as circumstances permit.

NAVAL SERVICE

REPLACEMENT OF "RULE BRITANNIA" BY "O CANADA" AS FORMAL SALUTE BY NAVY BANDS

Mr. J. H. Ferguson (Simcoe North): Mr. Speaker, I rise on a question of privilege to call the attention of the house to an item which appeared in a daily paper a few days ago. It says that the strains of "O Canada" have been selected to replace "Rule Britannia" as the formal salute by navy bands to the chief of the Canadian naval staff, the

naval board of Canada, admirals of the fleet, admirals and commanders in chief. I say to the house that there are many Canadians whose forefathers—

Some hon. Members: Order.

Mr. Ferguson: —and the strains of "Rule Britannia" are very dear to a large number of Canadians.

Mr. Lesage: So is "O Canada".

Mr. Ferguson: When the German submarines were sailing up the St. Lawrence river during the last war, the people of Quebec and of Canada were glad to hear the strains of "Rule Britannia". The insidious propaganda that is constantly being put out by government civil servants and some French-Canadian members of parliament to take tradition from Canadians should be stopped now. "Rule Britannia" means as much to us as "La Marseillaise" means to Frenchmen. I have marched behind the strains of "La Marseillaise", and would be glad to do so again.

Mr. Abbott: Order.

Mr. Ferguson: But this has to be stopped—

Mr. Speaker: Order. It occurs to me that from time to time members rise on questions of privilege when there is no question of privilege involved. I am not referring particularly to any of the members who have risen today, but I would ask that, in the future, members make sure they are rising on questions of privilege before doing so.

[*Later:*]

On the orders of the day:

Mr. J. H. Ferguson (Simcoe North): I should like to address a question to the Minister of National Defence. Was he aware of the change in the martial air "Rule Britannia" in connection with the navy, and was the change carried out with his full sanction?

Hon. Brooke Claxton (Minister of National Defence): Entirely. I think the substitution of "O Canada" for "Rule Britannia" will be a change greatly to be desired by all Canadians.

Mr. Ferguson: Breathes there the man with soul so dead!

NORTH ATLANTIC TREATY

SUMMARY OF DECISIONS TAKEN BY THE COUNCIL IN LONDON

On the order for motions:

Hon. Brooke Claxton (Acting Secretary of State for External Affairs): Mr. Speaker, as hon. members will be aware, the North Atlantic council, which has been meeting in London since May 15, completed its sessions yesterday. The following is the text of the communiqué issued by the council summing up the decisions taken in London:

The North Atlantic council established in accordance with article 9 of the treaty has so far only met twice at the ministerial level and on two other occasions when members of the council have been represented by their governments' diplomatic representatives in Washington.

But under article 9 the council is the principal body of the North Atlantic treaty. It is therefore the paramount duty of the council to put itself in a position to exercise its full role as the central and most important of the various organs of the treaty by taking the most effective steps to keep itself informed of all matters which fall within its competence, by taking the necessary decisions and by ensuring the execution of such decisions.

A year's experience has shown that on the political side the meetings of the council have been too infrequent to permit a sufficient exchange of views on matters of common interest within the scope of the treaty. On the military side the strategic concept of the treaty has been adopted and a defence plan drawn up and the corresponding estimate of the necessary forces is being established. The next step is to put these plans into effect by taking further measures in the direction of common defence, the division of financial responsibilities and the adaptation and development of the necessary forces.

In view of this situation, the council will in particular undertake the following task:

(a) Study the interrelationship of the various programs to support the plans for the defence of the north Atlantic area and ensure co-ordination of the work of the defence committee, the defence financial and economic committee, and all other bodies established under the North Atlantic treaty organization.

(b) recommend to governments the steps necessary to ensure that effect is given to the co-ordinated plans prepared for the defence of the north Atlantic area.

(c) Exchange views on political matters of common interest within the scope of the treaty.

(d) Promote and co-ordinate public information in furtherance of the objectives of the treaty while leaving responsibility for national programs to each country.

(e) Consider what further action should be taken under article 2 of the treaty, taking into account the work of existing agencies in this field.

To enable the council effectively to carry out its responsibilities and to exercise them continuously, each government will appoint a deputy to its council representative. Each deputy will be in a position to give whatever time may be necessary to ensure that the responsibilities of the council are carried out effectively.

In the intervals between meetings of ministers, the deputies, duly authorized by their respective governments, will be responsible, on behalf of and in the name of the council, for carrying out its policies and for formulating issues requiring decisions by the member governments.

The council, having considered the reports of the defence committee and the defence financial and economic committee, issued directives to guide them in their future work. These directives emphasize that the problem of adequate military forces and the necessary financial costs should be examined as one and not as separate problems.

In formulating their directives the council proceeded on the basis that the combined resources of the members of the North Atlantic treaty are sufficient, if properly co-ordinated and applied, to

ensure the progressive and speedy development of adequate military defence without impairing the social and economic progress of these countries.

The council, recognizing the indispensability of self-help and mutual aid among the treaty powers in making progress towards an integrated defence, and convinced that further mutual assistance is essential to rapid progress towards the strength required for the common security of the north Atlantic area, recommended that each party make its full contribution through mutual assistance in all practicable forms.

The council unanimously agreed that if adequate military defence of the member countries is to be achieved it must be along the lines of the most economical and effective utilization of the forces and material at the disposal of the north Atlantic countries. They accordingly urged their governments to concentrate on the creation of balanced collective forces in the progressive build-up of the defence of the north Atlantic area, taking at the same time fully into consideration the requirements for national forces which arise out of commitments external to the north Atlantic area.

In furtherance of article 9 of the treaty the council established a North Atlantic planning board for ocean shipping, to be composed of representatives of the participating countries concerned. This board will report directly to the council and will work in close co-operation with other bodies of the treaty organization in all matters relating to the factor of merchant shipping in defence planning.

The ministers believe that the decisions they have taken here in London represent a marked advance towards the practical realization of the objectives of the North Atlantic treaty.

It is evident that this has been the most important meeting of the North Atlantic council so far. Decisions have been taken which should ensure that the gathering strength of the North Atlantic treaty nations is organized in the most efficient fashion for the defensive purposes of the treaty and that progress will be made in the fields of political and economic co-operation. We have taken a long step forward, and I know that hon. members will fully realize the importance of these developments in building up a stable and prosperous north Atlantic community.

Mr. Pearkes: Will Canada appoint a deputy to that permanent committee?

Mr. Claxton: Yes.

Mr. George A. Drew (Leader of the Opposition): The announcement which we have just heard, Mr. Speaker, and which we read earlier in the press, as to the unanimous decision of the representatives of the twelve nations of the Atlantic community is an announcement of what is undoubtedly the most momentous decision that has been made since the summer of 1945. Until this decision was reached yesterday, the Atlantic treaty and the set-up of the council still left some uncertainties as to the full scope of their activities. Even yesterday in his announcement of the earlier report the Prime Minister (Mr. St. Laurent) emphasized the fact that the discussions had been informal. The announcement which has now been made carries this matter far beyond the stage of informality. I feel sure that hon. members will welcome the fact that this matter has passed the stage of informal discussion and that now there is in definite form a permanent executive committee of the Atlantic council to which there will be a Canadian delegate with appropriate secretarial and official assistants.

It cannot be emphasized too often that at this very time we are passing through the most critical stage of modern history. I feel sure that the hon. members of this house of all parties will wish that the Canadian representative on that committee, whoever he may be, will at all times act with the knowledge that in the joint efforts to preserve peace there is complete unanimity in this house.

While that meeting does not deal with anything except the organization of the nations of the Atlantic community, it has been noticeable that in the reports of those discussions, which by more than coincidence take place at the same time as the conference in Sydney, there has been reference to the problems of the Pacific. I do not think it would be appropriate to allow an occasion of this kind to pass without bringing forward the suggestion that the free nations of the world will not have completed their task of containing and restraining communist aggression until they have taken similarly effective steps amongst the free nations of the Pacific community.

This is a great step forward; but at the moment the most vigorous communist pressure is in southeast Asia. Those who live in the free nations of that area are emphasizing the need for recognition of immediate action. I would express the earnest hope that, with this very real achievement to the credit of the Atlantic community, steps will be taken without delay to bring similar results in that complementary area where communism is so active today.

All security depends upon security from aggression. The Acting Secretary of State for External Affairs (Mr. Claxton) has pointed out that this permanent body which will be set up will deal not only with the military but also with the financial questions as one problem. To a great extent it might be said at the same time that the problem of advancing the social security and general welfare of the people in these and other free nations is directly related also to military and economic concerns.

There is one point of great importance mentioned by the Acting Secretary of State for External Affairs which raises another consideration which I think should be brought forward immediately. The decisions yesterday have created a new North Atlantic planning board for ocean shipping, composed of representatives of the maritime nations within

this group of Atlantic nations. It is to be the purpose of that permanent planning board to plan for the preparation of adequate shipping and for the mobilization of that shipping in the event of an emergency. This, I say, immediately raises a consideration of great importance to every Canadian. In view of the fact that Canada has now agreed to become a part of a permanent planning board for maritime shipping in relation to the general world problem, I hope that it will mean the immediate re-establishment of the Canadian flag fleet.

Mr. Abbott: What are we debating here, Mr. Speaker?

Mr. Drew: We are not debating anything, Mr. Speaker. We are discussing an important occasion which does not call for trite remarks of the kind just made.

Mr. Abbott: I was just wondering what was before the house.

Mr. Speaker: The statement is of course not debatable; but I think it is customary to allow brief remarks to be made by the leader of the official opposition and by leaders of other parties immediately after an important statement has been made to the house.

Mr. Abbott: I just wondered what the Canadian flag fleet had to do with the statement that has just been made.

Mr. Fulton: You will see the connection if you just wait.

Mr. Drew: I regret to say that the minister who has just spoken is perhaps the one minister who would not understand but I think that most of the others do.

Mr. Abbott: Always the snappy comeback.

Mr. Drew: I am speaking to those who recognize the seriousness of the situation and who are not prepared to clown at a serious time like this.

The announcement that has been made definitely offers more hope and more reason for hope than we have had since the closing days of the war. I earnestly hope that in every respect members of the government who recognize their responsibility will go forward, carry out and fulfil in every way the agreement reached yesterday for the supreme purpose of restraining communist aggression and ultimately defeating it.

Mr. M. J. Coldwell (Rosetown-Biggar): As I listened to the statement read by the Acting Secretary of State for External Affairs (Mr. Claxton) a line or two of Tennyson came to my mind, namely:

The old order changeth, yielding place to new.

As I listened today and last evening to the Prime Minister (Mr. St. Laurent) I thought of the extent to which the old order was giving way to the new; that a few years ago we thought it impossible that the nations of the Atlantic community, for example, could co-operate economically, socially and in our common defence. The statement made today and last night has impressed upon this house, as it must have impressed the countries of the Atlantic community, the fact that in all our domestic policies, whether they be economic or social, we have to consider their impact upon the rest of the members of that community. I said last night that I thought that perhaps more important than the military arrangements made among the ministers in London during the past few days were the arrangements for economic and social co-operation.

The leader of the opposition (Mr. Drew) mentioned southeast Asia. I firmly believe that there can be no defence against communism, or any other form of totalitarianism, in southeast Asia unless the nations of the world co-operate to improve the standards of living of the people of that part of the world. Therefore, Mr. Speaker, we welcome this statement, and I can assure the government, the leader of the opposition and the members of the house that anything we can do to advance this great idea of co-operation first among the members of the Atlantic community, and then among the members, we hope, of the great world community, we shall be pleased to support and indeed to undertake.

Mr. Green: May I direct a question to the Acting Secretary of State for External Affairs? Perhaps it should be answered by the Minister of Transport. Does this statement mean that there will be any change in Canadian policy with regard to the Canadian merchant navy?

Hon. Lionel Chevrier (Minister of Transport): Mr. Speaker, so far as I am aware, it will mean no change.

NATIONAL DEFENCE

ANNOUNCEMENT OF PROCUREMENT OF MILITARY EQUIPMENT BY UNITED STATES IN CANADA

Hon. Brooke Claxton (Minister of National Defence): Mr. Speaker, I have one further announcement of very great importance to make; but before doing so may I say how much the government appreciates the expressions of support and unity on the part of the leaders of the various parties who have spoken. It indicates that so far as defence and external policy are concerned, Canada is united to a greater extent than ever before.

Hon. members will have seen press reports regarding the procurement by the United States of military equipment in Canada.

I am glad to be able to inform the house that it has been announced officially in Washington that the United States service departments and munitions board have been requested by the Secretary of Defence to develop a program for the purchase in Canada, during the year beginning next July 1, on a reciprocal basis, of military equipment to the value of between fifteen and twenty-five million dollars.

This announcement marks a major step in the integration of military production in the two countries. It is an extension into the peacetime period of the principles of the Hyde Park declaration of 1941, which proved so effective during wartime.

This announcement comes as a result of negotiations which I initiated with the late James Forrestal but which were carried through by Hon. Louis Johnson, Secretary of Defence, following a recommendation by the permanent joint board on defence. It is something for which we have all been working for some time.

It is still too early to indicate what this may mean in terms of specific items, but I can say with assurance that the benefits that may be realized under this arrangement will contribute not only to the defence potential of both countries and consequently the defence of our continent, but also to the over-all defence arrangements under the North Atlantic treaty.

COLD STORAGE ACT

REPEAL OF PART II WITH RESPECT TO COLD STORAGE WAREHOUSES

Right Hon. J. G. Gardiner (Minister of Agriculture) moved the first reading of Bill No. 222 (from the Senate), to amend the Cold Storage Act.

Motion agreed to and bill read the first time.

FLOOD CONDITIONS

BRITISH COLUMBIA—QUESTION AS TO REPORT OF RELIEF COMMISSION

On the orders of the day:

Mr. L. A. Mutch (Winnipeg South): I should like to ask the Minister of Finance whether he will cause to be tabled the interim report of the British Columbia flood relief commission, dated June 13, 1948?

Hon. Douglas Abbott (Minister of Finance): I believe there was such a report, Mr. Speaker. I shall look at it, and if it is appropriate to do so I will see that it is tabled next week.

PRISONERS OF WAR

NUMBER OF CANADIANS HELD IN GERMANY, ITALY AND JAPAN

On the orders of the day:

Hon. Brooke Claxton (Minister of National Defence): On April 28 there appeared on the order paper a question by the hon. member for Nanaimo (Mr. Pearkes) about the number of Canadians who were held as prisoners of war, and the number of days each prisoner had been held. A partial answer was given on May 4, when it was stated that the total number of prisoners was 9,552. But at that time it was pointed out that the number of days could not be given exactly without a complete examination of each file. Since then the hon. member has pressed for the information, and I have had inquiries made in the Department of Veterans Affairs, where the files are held. It would not be possible to give the information exactly without a very long and extensive examination of the files. However, we have been able to arrive at an estimate which I think is sufficiently correct for the hon. member's purpose. I have told him this, and he has expressed his satisfaction with it.

The estimated total man days is as follows:

	Germany and Italy	Japan
Navy	25,000	2,000
Army	2,658,000	2,082,000
Air	1,645,000	29,000
	4,328,000	2,113,000
Total	6,441,000	

LABOUR CONDITIONS

PRINTING BUREAU EMPLOYEES—OPPORTUNITY TO APPEAR BEFORE PRINTING COMMITTEE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): May I ask the Secretary of State whether he is ready to answer the question I put to him in his absence on April 27? The question was:

Has the Secretary of State received a request from the Ottawa typographical union for an opportunity to appear before the committee of the house on printing to deal with matters of concern to employees of the printing bureau? If so, will the Secretary of State consider making arrangements for a meeting of that committee so that this request can be granted?

Hon. F. G. Bradley (Secretary of State): The hon. member was good enough to give me notice of his question. The answer is

that the request from the Ottawa typographical union has been received, and I have suggested to them that they might get in touch with the chairman of the joint committee on printing. At the same time I would point out that requests concerning employment conditions are being currently considered by the treasury board, and a report is expected shortly. It is felt that the matter should be deferred until this report has been received.

Mr. Knowles: Will the Secretary of State table the report when he has received it, so that those concerned can govern themselves accordingly?

Mr. Bradley: What report?

Mr. Knowles: The report to which the minister has just referred.

Mr. Bradley: The report of treasury board?

Mr. Abbott: The answer is no. I understand that is not a document that is usually tabled.

Mr. Knowles: Then what is the point in asking those concerned to wait for the report?

COMMITTEES OF THE HOUSE

PRIVILEGES AND ELECTIONS—INQUIRY AS TO MEETING

On the orders of the day:

Mr. George A. Drew (Leader of the Opposition): On February 28 last the hon. member for Portage-Neepawa (Mr. Weir) reported to the house on behalf of a special committee set up for the purpose of naming the members of the various standing committees. I should like to ask the leader of the house when we may expect that the committee on privileges and elections will be called together. It is nearly three months since that committee was set up, and it has not yet met.

Hon. Alphonse Fournier (Minister of Public Works): I understand the procedure is that any member who wishes to have one of these committees set up communicates with the chairman of the committee. They hold meetings at the request of any member of the committee, or any member of the house.

Mr. Drew: Then I hope the leader of the house will take this as a notice from some of the members of that committee that it is their desire that the committee be convened immediately.

An hon. Member: No.

Mr. Abbott: It is not a government committee: it is a house committee.

[Mr. Bradley.]

RAILWAYS AND SHIPPING—QUESTION AS TO CONCURRENCE IN REPORT

On the orders of the day:

Mr. George A. Drew (Leader of the Opposition): I would ask the leader of the house when it is the intention—or perhaps he would prefer that I ask the Minister of Transport (Mr. Chevrier)—to present the motion for the adoption of the report of the committee on railways and shipping.

Hon. Lionel Chevrier (Minister of Transport): That is a matter which is in the hands of the chairman of the committee. I presume that when the chairman of the committee has the report in hand, and has it completed, he will present it to the house.

Mr. Drew: The report is complete and has been tabled. It is now essential that there be a motion for its adoption before it comes before the house for consideration. When there are recommendations in the report, there should be a motion for concurrence.

Mr. Chevrier: As the minister responsible for the Department of Transport I have no jurisdiction in the matter of the motion itself. I presume—I am not sure—that that will be a matter for the chairman to consider. I shall see that the remarks the leader of the opposition has made are noted.

INQUIRY FOR RETURN

IMMIGRATION—COSTS OF TRANSPORT, ETC., SINCE 1945

On the orders of the day:

Mr. Paul E. Gagnon (Chicoutimi): I should like to ask when I may expect a reply to the following question, which was passed as an order for return on March 1:

1. How many refugees and immigrants have entered Canada from September 1, 1945, to December 31, 1949?

2. What was the cost to the government of recruiting, transporting and establishment of such refugees and immigrants to their place of destination?

Hon. W. E. Harris (Minister of Citizenship and Immigration): This question requires the breaking down of costs in the immigration branch. We have been working on it steadily from the time the order was passed. As soon as we have an answer, we will bring it to the house.

INCOME TAX ACT

Hon. Douglas Abbott (Minister of Finance) moved the third reading of Bill No. 177, to amend the Income Tax Act.

Motion agreed to and bill read the third time and passed.

PRAIRIE FARM ASSISTANCE ACT

AMENDMENT TO EXCLUDE CERTAIN AREAS, ETC.

Right Hon. J. G. Gardiner (Minister of Agriculture) moved the second reading of Bill No. 209, to amend the Prairie Farm Assistance Act, 1939.

He said: When the resolution preceding this bill was under discussion, I suggested to the committee that it would probably be advisable to have the measure referred to the committee on agriculture. The reason was that certain matters were referred to during the discussion, some of which had been considered before and others of which were more or less new to many members in the committee.

I had thought that probably by the time the bill was referred to the house again we might have a redrafting of it; but I was not thinking fast enough. The other evening I allowed the bill to go to first reading. Having gone to first reading it was given a number, and it was impossible to have it reprinted without bringing it back to the house.

The bill therefore is before the house now in the same form as that which I had in mind when it was first discussed in the resolution stage. But after listening to the discussion, and for some other reasons, I have concluded that it would be best to send this bill to the committee on agriculture and have it discussed there. I have had a wire from the minister concerned in Alberta, namely, the minister of municipal affairs and provincial secretary. I believe he might desire to appear before the committee, and I have wired him saying that it would be quite proper for him to do so if he so desires. I have also had a letter from the minister of agriculture in Saskatchewan setting forth some points of view in the matter.

I think it would be helpful to have the measure come before the committee, and have any amendments we desire to make to the bill as it was submitted, in printed form, proposed when it is before the committee.

I wish to refer only in a general way to the amendments we had already decided to introduce in certain forms which may or may not be entirely satisfactory to the committee.

The legislation as it now stands indicates that it is the desire of the government to avoid the payment of prairie farm assistance on lands which, over a long period of time, were open for homesteading, and were not considered of sufficient fertility or good enough to be taken up as homesteads; or if they were, by action of the federal government while the resources were under its control, such action being continued by the provincial governments after the lands were taken over by them, withheld from settlement under the homesteading plan, such lands should not now be permitted to come in under prairie farm assistance legislation. It would appear that the terms of the present act could be a consideration when taking up lands under the provisions which are set out in some of the provincial legislation. That legislation does make it possible for persons to go on some of those lands on cultivation leases.

I think it is most important that it be clearly demonstrated to all parties concerned that any lands which are going to be opened up for cultivation now are lands upon which there is some opportunity for persons who settle on them to make a living, without any assistance, from this government in particular. Whether the bill went to the committee or not we had expected to bring in amendments to make our view definite.

When I was speaking the other night I said that there was no doubt that lands which were under co-operatives as understood in Saskatchewan would not be excluded merely by the fact that they operated as co-operatives and the lands were still owned by the government. However, on rereading the act I find that when we were amending it before we took a short cut. Instead of definitely saying that that was the case, we amended the definition of "farmer" in order to have it cover a man who was on a co-operative farm and who would therefore be entitled to payment. When we definitely eliminated the land I think probably we eliminated the individual. The proposal was definitely to put into the section being amended a provision that those who are on co-operative farms in the sense I have just spoken of shall not be eliminated by this section.

Then it was hoped that we could devise some amendment to deal with the situation which has been created in connection with several areas in Alberta and which would be satisfactory to those who are settled in those areas and to the government here. Even if the bill had not gone to the committee it was proposed to introduce an amendment to make it clear that certain persons living in those special areas would not be debarred from receiving prairie farm assistance.

All I intend to do at this stage is to move the second reading of the bill in order to get it to the committee as soon as possible, and also to make it known to the governments and others who may be concerned that it will be possible for them to place their cases before the committee and have the matter considered at as early a date as possible. If that meets

with the approval of the house, I would suggest that we might satisfy ourselves with giving the bill second reading and permit it to go to the committee where the whole matter could be fully discussed. The bill could then be brought back to the house, where a full discussion could take place, and when hon. members would be in possession of information on which to base a decision.

Since we were dealing with this legislation the other evening I have experienced great difficulty in getting up-to-date copies of the different provincial acts. We have wired for many of these and have received some, but not all. I think it would be well if we had all the legislation before the committee when we were discussing this matter.

I may say that one of the matters I was concerned with, and with which the government was concerned, is the fact that there has been a much greater growth recently in the payments than perhaps anyone expected. Apart altogether from the fact that we have not increased the amount per acre, there has been a considerable increase in the total amount which has been paid. Last year the payments exceeded $20 million. I would hope that we could put this legislation on such a basis that it will not eventually be criticized because the payments are out of proportion to what ought to be paid or because payments are being made on land on which we should not make payments.

In the communications I have had from the provincial governments they have expressed views along similar lines, namely, that it is their intention not to insist upon lands being taken in, but rather to try to get a decision which will be satisfactory to all without bringing in land which should not be included.

If the house is prepared to give the bill second reading, I shall then move that it be referred to the committee on agriculture, to be fully considered and returned to the house later.

Mr. J. G. Diefenbaker (Lake Centre): Mr. Speaker, I think there will be full agreement by the members of this party with the suggestion that the bill be referred to the committee on agriculture. However, there are other phases of the matter which I suggest should be submitted to the committee. I can understand as suggested by the minister that with the rapidly accelerating amounts that are being paid out under this most beneficial legislation, the time may come when criticisms will seriously impair its operation.

As I understand it, the reason for the legislation was and is to keep farmers on lands where, as a result of drought and other causes, there may be crop failures. Everyone makes his contribution of one per cent, and everyone making that contribution within the limitations set by the legislation receives payment. That is the understanding and conception of the farmers with regard to this legislation—at least of those in my constituency and in other parts of Saskatchewan with whom I have spoken.

But legislation passed by parliament is subject to regulations which may be passed under the powers contained in the act, and in this instance, as I see it, many are being denied prairie farm assistance because of the regulations. The regulations have been amended from time to time to define the meaning of owner or tenant. "Farmer" means a person who is the owner or tenant and who operates a farm in the spring wheat area, or who as a member of a co-operative farm association is engaged in farming in the spring wheat area. That was the definition that parliament gave to "farmer".

I agree with the minister when he says that if land is to be removed from the operation of the act in the manner indicated by him, then the law as it now stands would deny payments under the act to co-operatives holding land in the areas referred to by him. In 1949 serious crop failures, covering a large area, occurred in Saskatchewan, and yet many farmers were denied prairie farm assistance who, as I see it, ought to have received it. They are denied that assistance in part by reason of the limitations created by the definition of owner or tenant in the regulations. Under the regulations owner or tenant is defined as follows:

> An owner or tenant is not a farmer for the purposes of this act:
>
> (a) unless he is the owner or tenant of a farm from the first day of May to the first day of November in the same year;
>
> (b) unless he lives in the spring wheat area and his primary occupation is farming from the first day of May to the conclusion of the crop season;
>
> (c) unless he is responsible for the farm operations and the disposal of the proceeds of the farm; and
>
> (d) if renting from a parent, unless he has a written lease executed prior to the first day of May of the year of award.

I am not going to concern myself with paragraphs (a) and (d). When they were first introduced, paragraph (d) in particular, they did have the result of denying many people their undoubted right to the payment of this bonus, for many were unaware of the existence of these regulations during the year they were brought in. I take objection to paragraph (b), however, which provides that an owner or tenant is not a farmer for the purposes of this act unless he lives in the spring wheat area and his primary occupation is farming from May 1 to the end of the crop season.

Many people are being denied the bonus under that paragraph. Many farmers in the drought areas of Saskatchewan—and I speak particularly of those areas though my argument applies as well in Manitoba and Alberta —know by June 15 or thereabouts whether there are any prospects of a crop that year. Many of them, finding themselves in the position of having to support wives and families, have to leave their farms at that time and accept work elsewhere.

Mr. Gardiner: If I might interrupt for a moment, I think my hon. friend is suggesting that this provision is contained only in the regulations. It is in the act as well.

Mr. Diefenbaker: I realize that, but it is being interpreted in a way that parliament never intended. I could give example after example; and the regulations are not applied uniformly. Some farmers get the bonus though they have left their land because of the conditions with which they are faced, while others in the same position are denied it. There is no uniformity in the application of that section. Too many are being denied payment of the bonus, when fully qualified for it, by a too strict interpretation on the part of those administering the act. I feel that paragraph (b) should be administered in a generous manner. I am not arguing for the person who has a full-time occupation other than farming, who is in business and operates a farm as well. I am arguing for the right of the individual who operates a business as a side line, if you will, or takes work as a side line because of the fact that early in the year he is almost assured of a crop failure.

Many have been denied the bonus. The records reveal a situation that is challenging. The minister mentioned the fear that if the amount expended in this way continues to increase, objection will be raised to the continuation of this legislation. Indeed, reading between the lines of the speech he made a week ago today there would seem to be clear evidence that objection is now being raised in certain quarters to the continuance of this legislation in its present form. I placed a question on the order paper asking how many farmers in Saskatchewan, Alberta and Manitoba who had applied for payment of the bonus had been denied it, and that question was answered in a return on May 8. These are farmers who suffered failure and, in consequence of such crop failure last year, are having difficulty in financing their operations this year. The number who have been denied payment under the act is extraordinarily large. Because this record does not appear in *Hansard* I intend to read it, for it reveals a situation serious in its import and effect. Perhaps if the house would consent I could place this return on *Hansard*, and then I would not need to read it in detail.

Mr. Speaker: Has the hon. member leave to place the return upon *Hansard*?

Some hon. Members: Agreed.

Mr. Diefenbaker: The return states:

Question:

1. How many (a) individual (b) township applications, for payment of P.F.A. were refused or denied in each of the prairie provinces between the first day of July, 1949, and the first day of February, 1950?

2. (a) How many cases, in each province, was the refusal or denial of payment under the P.F.A.A. submitted to the board of review? (b) What is the total number of cases in each province in which the said board reversed the decision appealed from?

The attached information has been received by the Secretary of State of Canada from the Department of Agriculture.

Answer of Department of Agriculture

1. (a) Saskatchewan—1320; Manitoba—84; Alberta —249.

(b) Applications are made by the municipalities, and the provinces for unorganized areas, who give an estimate only of the average yield of wheat in the township applied for. No records are kept of ineligible townships except those that are contiguous to eligible areas, this being for the purpose of determining eligible blocks of sections therein.

2. (a) Saskatchewan—136; Manitoba—3; Alberta— 19.

(b) Saskatchewan—19; Manitoba—nil; Alberta—3.

That return indicates that in 1949 some 1,320 farmers in Saskatchewan were refused payment of the bonus between July 1, 1949, and February 1, 1950. In Manitoba the number was 84, and in Alberta 249. Some of these applications were submitted to the board of review. In Saskatchewan only 19 of the total number of appeals were allowed. In Manitoba only three appealed and no appeal was allowed, while in Alberta out of 19 appeals three were allowed.

What do the figures for Saskatchewan indicate? Taking the average farm at 320 acres, which I think is a fair rule of thumb for Saskatchewan, it means that last year farmers of some 425,000 acres, who suffered drought and crop failure and felt qualified to obtain payment under this legislation, were in fact denied payment. It reveals that in the operation of this act, and in part at least particularly in its administration, the rules are too strictly interpreted. I have examples of farmers living side by side. One got the payment; the other, across the road, was denied it under identical circumstances, though both were within a qualified area, because of interpretations placed by the commission upon the meaning of "owner" or "occupant" under the definition I have read.

I feel it only fair in the exercise and discharge of its responsibilities and in the interpretation of these regulations that the board of review should act not in a restrictive manner but in a manner that will bring about to the greatest possible extent fairness, equality and uniformity in the operation of this act.

I repeat, Mr. Speaker, farmers occupying at least 425,000 acres of land in the province of Saskatchewan, who believe themselves qualified for this bonus, were denied it last year. This reveals a serious situation, which demands the attention of this house. When the committee commences to sit on this matter, I should like the whole question of the regulations to be submitted to it, to the end that the opinions of the farmer members on the committee could be secured, and if necessary the opinions of those outside the house who believe that changes should be made in connection with the administration of this legislation.

I come now to a phase to which reference was made by the minister, and it is one that raises a great deal of difficulty. It is the fact that over the years in parts of the western provinces, for a period indeed of nine and ten years, bonus payments have been made in the same areas. It indicates that there are certain areas wherein the probability of crops being harvested is extremely remote. I am not going into the figures for the areas in which payments have been made over a successive period of three, four or five years but will restrict my argument to the areas, by townships, in which payments have been made from seven to ten times since 1939. Under this heading in the province of Saskatchewan 329 townships have received payments for seven years since 1939; 294 townships have received payments for eight years in the same period; 162 townships have received payments for nine years in that period, and finally in 44 townships there have been bonus payments for ten years since 1939. Those are striking figures and they warrant the admonition that was given by the minister in his opening remarks.

In parts of the province of Alberta the situation is fairly serious. Payment has been made for seven years out of the period of eleven years since 1939 in 71 townships; for eight years in 121 townships; for nine years in 177 townships, and for ten years since 1939 the bonus has been paid in 41 townships. From those figures one must realize that something must be done. It is because those areas have been so continuously denied a crop that we in the provinces of Saskatchewan and Alberta are demanding that action be taken to provide irrigation by proceeding with the work as soon as possible on such projects as the south Saskatchewan river irrigation scheme. Those areas would be productive were it not for the lack of moisture. They could be made productive. After listening to the revelations made by the Acting Secretary of State for External Affairs (Mr. Claxton), wherein he stated that Canada intends, with the nations of the Atlantic community, to co-ordinate our economic development, I believe that one course Canada must take in order to meet the situation in southeast Asia, referred to by the leader of the opposition, is to expand our agricultural production and give assistance to the people in southeast Asia, and particularly in India, Pakistan and Ceylon. This would enable those areas, under the development of the plans of the North Atlantic pact, or if necessary a Pacific pact, to provide for the containment of communism where it now is. It would deny the extension of communism by reason of hunger into India, Pakistan, Ceylon and the other countries of that area.

We in this country have a responsibility in connection with our agricultural production that challenges the Minister of Agriculture, and all those charged with the extension and expansion of agricultural production, if we are to meet the commitments we accepted in London yesterday as a member of the community of north Atlantic countries.

Returning once more to the amendments that are before the house, I communicated with many rural municipalities in the area particularly subject to drought, with a view to securing from the municipalities their recommendations as to changes in the law that might be made. Some of their suggestions have been made previously in this house. Some of them were made two years ago when I spoke on this matter, and some are the result of recent experience. It seems that many of them have gone further than ever before in suggesting that, in order to maintain the prairie farm assistance payments, realizing the difficulties of establishing crop insurance, it might well be necessary to make some increase in the amount of contribution. The minister mentioned that in recent years there has been a considerable acceleration in the expenditure in this connection. An answer given on March 16 to the member for Souris (Mr. Ross) reveals that since the inception of this act the total contributions made amount to $45,008,887. The total amount expended during the same period has been $123,876,630; that amount may have increased somewhat since this return was brought in some two months ago.

Mr. Gardiner: It has increased by about a million dollars.

Mr. Diefenbaker: The return, then, is approximately correct. It indicates that a vast area in the western provinces has suffered from the destruction of crops last year as a result of drought, grasshoppers and the like. The area in Manitoba was 82 townships; in Alberta, 1,126 townships; and in Saskatchewan, 1,731 townships. These figures underline the necessity for something being done in order to improve productivity, by the assurance of moisture through irrigation in a large portion of the areas comprised within these townships.

A general summary of the recommendations made by the rural municipalities, and I communicated with seventy rural municipalities so that I would have a cross-section of their suggestions and recommendations, is as follows: (1) somewhat different from the attitude some years ago when many advocated an individual basis as the basis upon which payments should be made, the general suggestion now seems to be that the area itself, in certain portions of Saskatchewan, should be reduced to the half township area. I refer to those areas adjacent to the Qu'Appelle valley where veterans were settled after the first war. They were settled along the eastern side of the Qu'Appelle valley. Over the years these people have lived in hope but have suffered repeated failures and because of the fact that part of the townships in which they farm is situated on the west side of the valley, they have been denied payment over the years. There are about nine areas in Saskatchewan in that position. I feel that something should be done in this committee to recommend some change in the law to meet this localized situation. I do not like to ask for laws applicable to particular areas, but there are in Saskatchewan seven or nine areas that are in this position. The people want to live there. They do not want to leave. They believe they should be entitled to consideration on the part of parliament to the extent of their areas being made subject to the Prairie Farm Assistance Act and qualified either under regulation or under amendment to the act.

The second is this: while every farmer who suffers failure within the qualified areas should be entitled to the payment of a bonus, provided his primary occupation is farming, nonetheless, in the definition of what "primary occupation" is, too many are being denied payment. Several of these municipalities have pointed out examples in their area where farmers who found it necessary to leave the farm temporarily because they were facing failure, and realized they were facing failure that year, have been denied payment. These municipal officers say that in the interpretation of "primary occupation" there is too strict an adherence to the letter of the law rather than to the spirit of it.

The third recommendation that is comprised in many of the suggestions is a request in connection with the amounts that are payable for crop failure bonus which were fixed on the basis of conditions in 1939, namely, $2.50 or $1.50 an acre, depending on the degree of failure. Having regard to the taxation that they pay these municipalities say that there is no reason whatsoever why there should not be an increase in the amount of assistance payable. The amount of P.F.A. that is payable today is insufficient to place a farmer in a position in which he can continue his farming operations; and after all, that was the purpose for which this legislation was passed.

I do not want to go into further detail. I believe, however, that these suggestions are worthy of consideration by the committee on agriculture that is to inquire into the matter of amendments to the law as it now stands. The bringing into effect of a few of these suggestions that I have placed before you, Mr. Speaker, would go far towards removing a feeling sometimes approaching resentment that one finds where farmers are denied payment because of the interpretation placed on the regulations or because of the narrowness of the qualification as provided by law.

The changes I recommend, if accepted, would have the result of removing almost every objection that is to be heard with regard to this legislation. It has worked out well. It is a monumental example of the nation's desire to accept responsibility for the failures of fellow Canadians who suffer failure by reason of circumstances beyond their control.

We in the province of Saskatchewan have received much more than we have ever paid. We recognize and appreciate that fact. In Saskatchewan, the contribution over the years under this legislation has been some $24,600,000. The amount paid to Saskatchewan farmers has amounted to some $95 million. We recognize that fact, and we appreciate what other parts of the country have done to show that, where what amounts to a national disaster happens to agriculture in the western provinces, the people of Canada as a whole are willing to help us in our difficulties.

In that spirit, realizing what has been done for us, we in Saskatchewan—and I impress this upon the government, though I speak as a member of the opposition—will

join with them in anything they may do to assist the people of Winnipeg and the people of Manitoba in general in the disaster that has come to that province in recent weeks. We believe it is a national disaster. We believe that the people of Manitoba ought to be assured that Canadians as a whole will do everything they can to reimburse them financially, so that their losses will be borne as far as possible by the nation at large. After all, national disasters demand national consideration, and are no longer matters of provincial responsibility alone.

Mr. Gardiner: Mr. Speaker, I do not wish to make another speech; of course, I would not be permitted to do so.

Mr. Diefenbaker: That is all right.

Mr. Gardiner: I understand that what has been suggested is that it should be possible to have these matters discussed before the committee; that is, the matters that have been referred to.

Mr. Diefenbaker: Yes.

Mr. Gardiner: The three sections that are being referred to the committee cover all the points that have been mentioned, and I do not think there is any problem about that at all.

Mr. Diefenbaker: All right. I appreciate that assurance very much. I know that the chairman of the committee, the hon. member for The Battlefords (Mr. Bater), who enjoys the confidence of the members of that committee, will see to it that the widest possible discussion is permitted in connection with this matter.

Mr. H. R. Argue (Assiniboia): I welcome, Mr. Speaker, the suggestion of the Minister of Agriculture (Mr. Gardiner) that this bill be referred to the standing committee on agriculture. I think that a great deal of study needs to be made as to what will be the ramifications and implications of the first amendment. I believe it is wise that officials from the various departments of agriculture in the provincial governments of Alberta, Saskatchewan and Manitoba should have an opportunity to appear before that committee so that we can get exact information as to the land policy followed by the various provincial governments which will be affected by the first clause of the bill as it now stands.

I am glad the minister made it clear that "co-op." farms as such set up on crown land will be eligible for prairie farm assistance. I regret, however, that the minister did not state that it was the intention of the government to change the first clause of the bill to an even greater extent than that. I listened with interest to the speech delivered by the hon. member for Lake Centre (Mr. Diefenbaker), and I can say that I can agree with most parts of it. I have had the same experience in regard to cases brought to my attention and submitted to the department for a ruling. Without question the regulations and the interpretation of the regulations are being tightened up, and it is certainly much more difficult now to get what one might consider a borderline case passed by the department. While saying that, however, Mr. Speaker, I want to say that in the past I have found the members of the board of review very co-operative; and after explaining certain new factors in regard to a particular case that may have been brought to my attention, on numerous occasions I have been successful in getting the application reconsidered and finally getting payment made.

Mr. Diefenbaker: That has been my experience, too, and I did not want to give any other impression.

Mr. Coldwell: Mine, too.

Mr. Argue: Perhaps certain directions were given to the board of review last year as to policy which must have permitted a great deal more leniency. For example, I find that because of the 1948 crop failure a great many wives, whose husbands were also farming, became eligible for separate payment; and while circumstances in regard to a number of these cases have not in any way changed during the past year, I find that the regulations are being tightened, and that separate payments are pretty hard to get through the board of review.

In the last few weeks I have often wondered whether the department here was not pretty lenient just before the election with some of these applications, but after the election decided to tighten the regulations.

I regret that in his statement a week ago the Minister of Agriculture (Mr. Gardiner) so often made the suggestion that if certain things were done in regard to the Prairie Farm Assistance Act a great deal of objection might be raised to the act in other parts of Canada. I have heard very little objection to the act in this house, and so far as I can recollect no member of parliament, irrespective of what part of Canada he came from, has voted against any improvement that might be made in the act. It seems to me that the Minister of Agriculture was just building up a straw man and then proceeding to knock him over.

Mr. Gardiner: It might be a compliment to his good judgment.

Mr. Argue: It might be a compliment to the minister's good judgment. I will not quarrel

with the judgment of the Minister of Agriculture on a lot of things, but my opinion is that a government that has such an overwhelming majority should not have one of its cabinet ministers trying to plant ideas in the minds of various members of parliament to object to a piece of legislation which, in my opinion, is absolutely essential to a large section of the people of Canada, and a piece of legislation which is amply justified on the basis of history.

Mr. Gardiner: And which he himself originated.

Mr. Argue: In looking at the amounts that are paid from time to time I find that they are large, and they have been large over the last few years because there has been widespread crop failure. But the payment to any individual farmer is a very small one.

The Minister of Agriculture himself has said many times in the past that it is so small as to pay only the grocery and the clothing bills. The point is that thousands of farmers in western Canada, when they have a series of crop failures over a few successive years, must get assistance somewhere, and I think it is much better that they get assistance in the form of a cheque that they can use as they themselves see fit, than forcing them back on the relief rolls, as was our experience in the 1930's. The point is that if this act were withdrawn there would be no saving in money when we consider the amount that the various provincial governments and the federal government would have to pay in assisting people who have successive crop failures.

I do not want to leave the impression that all of this bill is not of value. Certainly the second clause is a good one. A week ago in respect to the second clause of the bill the Minister of Agriculture said that it was something that most hon. members thought a year ago should have been done when the legislation was before the house. I want to point out to him that last year in the committee on agriculture I moved a motion which was almost identical with the second section of the bill. My motion read as follows:

> Where a section of land lies within an ineligible township and has a side that lies alongside an eligible township or is a section which lies alongside an eligible section or a corner of which touches the corner of an eligible township or an eligible section, such section of land shall be eligible for award as though it were a complete township.

The section in the bill reads as follows:

> Where a block of contiguous sections of land within an ineligible township having an area of not less than one-sixth of the township and a side that lies along the boundary of an eligible township is determined by the board to have an average yield of eight bushels of wheat or less per acre, such block of sections of land shall be eligible for award as though it were a complete township.

I say that my motion and this clause are identical. But when my motion was moved in the agriculture committee last fall I found that all of the Liberal members voted against it. Therefore when the Minister of Agriculture says that last year most of the members of parliament supported this new clause I think he should say more specifically that members of the C.C.F. and the Social Credit parties, who voted for the motion, are the people who supported this particular clause.

Last Friday the Minister of Agriculture stated, as he did again this afternoon, what might be considered his interpretation of the first clause of the present bill. He said, as appears on page 2430 of *Hansard*:

> The people who have title to their land or have it under agreement of sale, though they may not have clear title—that is, the people who own their land in the sense that land is owned all across the country—are entitled to payment under the terms of this act. But if such a person or some other person goes on a piece of submarginal land and takes a cultivation lease, with the land still belonging to the government, whether it be this government, a provincial government or a municipal government, the amount is not payable on that land.

If that is the intention of the first section, then why does it not read that way? Why does the first section say that any new cultivation leases let by provincial governments on submarginal land will no longer be eligible for payment? Instead of that the section says that provincial lands, with the exception of lands held by veterans under the Veterans Land Act, and held as co-operative farms, as the minister said this afternoon, will not be eligible for payment.

I hope it is the intention of the minister through this section to try to get only submarginal lands removed from the provisions of the act, and that that is the extent of his intention. I am afraid however that by leaving the section as it now stands we are more apt to get a greater amount of submarginal lands under cultivation and eligible for payment under the act.

I say that for this reason, that under the present lease policy of the Saskatchewan and Alberta governments, those two governments can determine whether or not a farmer shall cultivate his lease, or use it for grazing. But if pressure results from this bill—if it passes in its present form—and is exerted on various provincial governments, to the point where they may abandon their present lease policy, and do what the Minister of Agriculture (Mr. Gardiner) has suggested, namely, sell their provincial lands, then of course there will be no control over the type of use to which the land is put. A farmer, if he can buy provincial

land, after having purchased it can break it up, even if it is a very light soil; and he will be eligible for prairie farm assistance under the bill as it now stands.

In other words this bill has absolutely nothing to do with submarginal lands, and the taking of such lands out of wheat production. It is directed only at the land policy and the lease policy followed by the governments of Alberta and Saskatchewan. Should those governments decide to sell that land, and if in the future, as has happened in the past when crown land has been sold, the farmers buying such land should undertake a huge obligation in the way of debt, then those farmers can no longer afford to carry on proper cultural practices.

If a farmer gets a cultivation lease over a thirty-three year period he will say, "Now I have some security. I am going to farm this land for the next thirty-three years in a way which will permit me to get the greatest possible return over that period." But if the same farmer has the same piece of land, but with a heavy debt on it, he will say, "I will farm this land in the next two or three years and, by the grace of God and some rain, I may get a couple of bumper crops and pay off my mortgage." The chances are that he will put a great deal more into wheat production, and continuous wheat production, with the end result after a few years that he has a greater number of crop failures, and consequently would be eligible for the bonus.

From the information I have been able to obtain, the Saskatchewan government is most careful in its leasing policy not to allow a cultivation lease on a piece of submarginal land in grass. A provincial government has just as great a stake in proper methods of agricultural practice as has the Minister of Agriculture or the federal government. If a provincial government follows a policy which results in the misuse of land, then of course they are going to be called upon from time to time to advance seed and to advance relief to the people within that province.

I have figures here from the department of agriculture in Saskatchewan which show that in that province there is just a little more than 5,000,000 acres under grazing lease. The province has control of some 800,000 odd acres in addition to that, which is not under cultivation, making a total amount of provincial land not under cultivation of 5,800,000 acres.

Then, the provincial crown lands leased on the basis of cultivation lease amount to a little more than 640,000 acres. In other words, just 10 per cent of all the crown lands in Saskatchewan are under cultivation lease. Ninety per cent cannot be brought into wheat production. Of the 10 per cent that is under cultivation lease, 472,000 acres have been let for veteran settlement, with the approval of the Department of Veterans Affairs in Ottawa, and that 472,000 acres will be eligible for prairie farm assistance. So that this leaves a net of 169,000 acres in Saskatchewan under cultivation by civilian lease which will be denied payment of the bonus under this legislation.

In other words the lease policy of the Saskatchewan government has been so good that only two and one-half per cent of all crown lands can be affected by this amendment. The government of that province has been most careful to see that no cultivation lease is let on submarginal land, so that the amount of submarginal land in wheat production will be increased.

If the Minister of Agriculture wants the type of bill he has said on two or three occasions he would like to have, then he should say that in the future if any provincial government lets a new cultivation lease on submarginal land, then on such submarginal land prairie farm assistance payments will not be made.

Mr. Gardiner: That is already in the bill.

Mr. Argue: Oh yes; of course that is in the bill. And there are a lot of other things in the bill. But the point is that it is taking all crown lands, with certain exceptions, from under the act—and naturally this will take the poor land along with the good.

Mr. Gardiner: My hon. friend does not understand what I am saying. The provision that submarginal land cannot recover is in the original act, and the only people who can declare land submarginal are the provincial governments. That is a matter of civil right. They can declare it submarginal, but we are not able to do so.

Mr. Argue: Then if that is so, I would like to know what the minister was doing when he was talking all last Friday afternoon. He kept on telling us that there were new leases on a lot of submarginal land and that the purpose of the amendment was to stop that being done.

Mr. Gardiner: They do not call it that in the act, though.

Mr. Argue: This is what the minister said, as reported at page 2434 of *Hansard*:

> But we do want to put this legislation in shape whereby no one can come into this House of Commons and say, "You are paying money out on submarginal lands which are owned by a government and should be under pasture"; this government is prepared to put it under pasture for the common good and someone deliberately goes on it

and gets a lease, and makes it impossible to do that. I do not think the House of Commons wants us to pay to continue that.

The minister there said they are going on pasture land and putting it under cultivation, and then they are getting P.F.A.A. payments, and that is what he wants to stop. Yet if the government is going to treat, as I believe it is not justified in treating, all provincial lease land on this basis, why does not the government include mortgage company land? Why does not the government include Canadian Pacific land and Hudson's Bay Company land that is under lease? Instead this legislation is directed at the provincial governments. There is no incentive, and no public responsibility imposed on companies like the Canadian Pacific or the Hudson's Bay Company with regard to a proper land utilization program. They lease their lands in such a way as to get the greatest possible amount of revenue and the Minister of Agriculture (Mr. Gardiner) is doing nothing about their leases. But in Saskatchewan, where in my opinion the government has a sound agricultural policy and has not allowed submarginal land to go into wheat production, the minister is removing all crown land from the provisions of the act while at the same time forcing farmers on that land to continue to pay one per cent into the fund year in and year out.

If the Minister of Agriculture is anxious to take submarginal land out of cultivation, I should like to show him a map I have here put out by his own department showing where submarginal land is to be found. The Department of Agriculture has paid hundreds of thousands of dollars to find where the submarginal land is and all the minister needs to do in this part of Saskatchewan is to take this map and declare that the yellow areas will not be subject to prairie farm assistance. If he does that he will be taking submarginal land out of the provisions of this act and perhaps out of wheat production altogether.

We need a proper land utilization policy which can be brought about only by co-operation between the federal, provincial and municipal governments as well as the people in the local communities. That land utilization policy would have to include increased areas under irrigation as well as increased acreages under grass. If a policy like that were followed the submarginal land could be taken out of production. Under such a policy farmers who are now on submarginal land could be given an economic unit either in the area in which they now live or in some other part of the province.

I submit that by the present bill the Minister of Agriculture is making a political football out of the P.F.A.A. when he tries to force Alberta or Saskatchewan to abandon its land policy. I am glad that the bill is to be referred to the agriculture committee and I hope that that committee will call the minister of agriculture for Saskatchewan or the deputy minister. We can then find out whether the Saskatchewan government has been allowing cultivation leases on submarginal land.

I think it is time the federal government and the provincial government got together to work out a policy which would be in the interests of the people in that part of Canada, which would include a proper land utilization program as well as a proper soil conservation program. Even while that is being done we would have to continue the Prairie Farm Assistance Act. In my opinion it is a national disaster when large areas in western Canada have successive crop failures, just as the present disaster in Winnipeg and along the Red river is a national disaster.

I am happy that the federal government has seen fit to give assistance to those people in Manitoba who are facing such devastating loss. I believe that that is a national disaster and it calls for a national contribution. However, I believe that when a corp failure is experienced in large areas in Canada it should also be considered a national disaster. Because of that, not only should the Prairie Farm Assistance Act be continued; it should be expanded and improved.

Mr. Victor Quelch (Acadia): Mr. Speaker, in view of the fact that this bill is to be referred to the agriculture committee and in view of the statements made this afternoon by the Minister of Agriculture (Mr. Gardiner) that it is the intention of the government to amend the act to exclude the lands in certain special areas of Alberta from the operations of section 1, I shall be brief in my remarks. The bill deals with three different matters which I should like to refer to briefly in the reverse order.

Section 3 exempts feed mills from the necessity of collecting the one per cent levy. We believe that that will be a good thing. Section 2 removes the rectangular block limitations from paragraphs (a) and (b) of section 7 and replaces it with a provision for contiguous blocks. We believe that that will be a very definite improvement in the act as we have been advocating it for a number of years. I never could understand why in the past the minister seemed so taken with the idea of rectangular blocks because crop failures in the west never were in the form of rectangles; they have always come in

irregular shapes. I am sure that that amendment will receive the hearty approval of the farmers in western Canada.

Section 1 of the bill is the contentious section and the Minister of Agriculture referred to it as containing bad news when he spoke a week ago. At that time he promised to make certain adjustments in order to remove the injustices that might occur as a result of the operation of that section. I was glad to hear him state today that amendments to remove certain lands from the operation of that section will be presented.

I agree that submarginal land should be taken out of cultivation, but I do not agree that the declaring of lands leased from governments as being ineligible for payments will accomplish that result. If leased land is sold to an individual there may well be a natural expansion in the cultivated acreage, and that would certainly have been the situation in the special areas of Alberta. Therefore I was glad to hear the minister state that it was the intention to exclude lands in those areas from the operation of this section.

I am wondering what will be done with regard to local improvement districts. There is none of those districts in Acadia so I am not familiar with the set-up, but I believe in some respects they are similar to the special areas. As I am not familiar with them I do not intend to discuss them. No doubt they will be discussed when the bill is before the agriculture committee.

As I said, in view of the fact that the bill is being referred to the committee, and as I am a member of that committee and shall have plenty of opportunity to put forward my views, I will say no more at this time.

Mr. W. D. Wylie (Medicine Hat): Mr. Speaker, I wish to say a few words on this bill. It must be admitted that so far this session I have not said very much. I feel that our main problem in the drought areas is irrigation, and it was my intention to speak on the first item of the estimates of the Minister of Agriculture (Mr. Gardiner). Since this bill has been brought in, however, I feel it necessary to say a few words, particularly in view of the statement by the minister this afternoon and in view of section 1 of the bill.

In his statement this afternoon the minister referred to the special areas. In the south-eastern part of my province, particularly in my constituency, only a very small portion of the land is in these special areas. No doubt the minister knows that district quite well; that is the area north of the British block and from Empress along to Iddesleigh and Buffalo. That is in the special area, but the larger part of my constituency is in local improvement districts. This afternoon the minister referred particularly to the special areas. If this bill goes through in its present form many farmers in local improvement districts are going to be disqualified from the bonus. It must be realized that in the local improvement districts many farmers are leasing land from the department of municipal affairs or the department of lands and mines.

I have had some experience along this line. The last municipality near Medicine Hat to go broke was M. D. 92, which was called Excelsior. It was turned over to the department of municipal affairs, and as an inspector of that department I held that area. So I feel I know a little about local improvement districts in my province. In that municipality, as in many other local improvement districts that I held, land went through tax sales. That land might have been homesteaded thirty or forty years ago, but through no fault of their own the farmers were forced into arrears of taxes, particularly in the thirties. Of course if a farmer was residing on land that went through tax sale he was protected to the extent that he could lease that land from the government. If crop conditions changed, or if his financial circumstances improved, he had the opportunity of consolidating the arrears of taxes that had accumulated on his land. He received the usual discount of up to 25 per cent, and paid the current taxes and arrears over a period of five years, after which that land was redeemed in his name. If he was not able to do that the department of municipal affairs leased that land to him on a crop share basis.

In those years the arrangement was that one-fourth of the crop went to the department, and that share was applied against the arrears of taxes on the land. If at the end of five years he was able to pay off all his arrears he got title to the land. If on the other hand crop conditions did not improve and he was not able to pay his consolidated taxes, he could lease that land. Title was taken by the government, and eventually the land was turned over to the department of lands and mines. When that happened the land was leased back to the farmer; and many of those leases are still in effect today. That is the position of a number of farmers east of the city of Medicine Hat. I know of one farmer in particular who homesteaded his land forty years ago. It is quite true that he does not have title to that land today, that he is still leasing it from the department of lands and mines; but many people who have been in

this country for sixty and seventy years have no title to any property, whether urban or rural.

Under this act that man who is living on his homestead will be disqualified in respect to this assistance. There is to be an amendment to deal with these special areas, but what is to happen to the farmers residing in the local improvement districts? If the minister had mentioned particularly the special areas in Alberta it might have been entirely different, but he referred to the special areas in general.

Mr. Gardiner: If I may be permitted, in spite of what I did say, what I meant to say was that we were going to send the bill to a committee, before which the Alberta minister could appear. He is coming to see me on Monday anyway, and he can appear before the committee and give us the information about all these matters.

Mr. Wylie: I appreciate that the minister said this bill would be sent to committee. Last Friday the minister made a speech in the house. I read that statement very carefully, but I must admit that after reading his speech I was no better informed than when I started, so I felt it my duty to say a few words on behalf of the local improvement districts which I represent. I would certainly object if they were to be treated in any different manner than the special areas, because we have many districts in southeastern Alberta that are in exactly the same situation as the special areas. Parts of the local improvement districts were in the special areas. The minister knows that the area from the north side of township 12 up to Empress, on the east side of the Saskatchewan river, used to be in the Tilley east area. He also knows that the area north of the south Saskatchewan river up to the British block and west of Alderson was in a special area. Those are not special areas now; they are in local improvement districts. If what the minister said this afternoon is true, then those areas are not to be considered as the special areas; that is something we must keep in mind.

Mr. Gardiner: I hope I did not say that. I intended that the whole country be considered.

Mr. Wylie: I am glad to be corrected. I may have misunderstood what the minister said. After all, in Alberta we do have the special areas, and we have our local improvement districts, as the minister knows. There is no difference between those areas; he must agree to that. If an amendment is to be brought in to include those special areas, I believe it should include many local improvement districts as well, not only in Alberta but in Saskatchewan.

If the payments under the Prairie Farm Assistance Act are to be confined to lands that are owned, we are going to make a big mistake. As the member for Assiniboia (Mr. Argue) mentioned, there are many quarter-sections, as well as sections, in that area that are owned by the Hudson's Bay Company and the Canadian Pacific Railway. Some of the lands are owned by speculators who have it rented. It seems to me that if the government intends to disqualify government owned lands, it would only be fair to disqualify anyone who owns land unless he lives on the land and farms it. It seems to me that is a fair proposition. I certainly agree with the statement made by the member for Assiniboia.

It must be realized also that the policy of the Alberta department of lands and mines is that no more land should be put under cultivation. After being an inspector and assessor with the department of municipal affairs for ten years, I feel that I know fairly well what is going on in the area. As I said, the department of lands and mines feels that no further land should be put under cultivation. Anyone leasing land from the department today, even under a grazing lease, can only get a permit to put small areas under cultivation for feed purposes. When I say "for feed purposes", I think the minister understands what I mean. In the drought area there may be what we call a slough, which may be flooded in the spring but perhaps dries up by the end of May. This enables the farmer to plant an area of ten or fifteen acres for feed purposes. The department of lands and mines will not allow a farmer to grow any wheat on that land for sale; it must be for feed for his stock.

We are discussing a bill to amend the Prairie Farm Assistance Act. We in the southeastern corner of the province believe we have another solution for the problem. We believe that if we utilize the water in that area, we can certainly relieve the dominion government of many of the obligations about which they are complaining today. This afternoon the minister stated that there had been a big increase in the amount paid out under the Prairie Farm Assistance Act during the last few years. I am sure that no one knows better than the Minister of Agriculture why those moneys have to be paid out. I may say that none of the farmers enjoy receiving the prairie farm assistance payments; they do not like being what you might term relief recipients any more than any of us would like to be on relief. Many of the farmers in the area of which the minister spoke this afternoon believe that the solution lies in the utilization of the water running through that

area. If that is done prairie farm assistance payments, so far as Alberta is concerned, will be eliminated.

The minister may not agree with that statement, but it has been proven in any area where you have irrigation, where you have trees or dams and you are distributing the water over the land, the atmosphere in that area is entirely different. All one has to do is to leave Medicine Hat on a day when it is about 110 in the shade and drive to Taber to notice the difference in the atmosphere. I am sure the minister has gone through that experience during the trips he has made through that country, unless he was too busily engaged to notice it at the time. It may be argued that it is not possible to bring water down to Medicine Hat or to the Saskatchewan boundary. To answer that question one only has to refer to the Meek report. If we consider that report of any value, we must agree that water can be brought to Medicine Hat.

I should like to tell the minister that I appreciate what the dominion government is doing in building the St. Mary's dam. A lot of good work is being carried on there, and it is work which I am sure will benefit a large area of southern Alberta. As I have said, after studying the Meek report one must agree that water can be brought to Medicine Hat. If we have that water I am sure the farmers in that area will know how to distribute it. Some officials may claim it is not possible to carry water from 150 to 175 miles without a great deal of evaporation; that it would not be economical to do so. According to the report I have just mentioned, if dams are constructed in that area, it is quite feasible. If it is not, I am sure that water can be pumped out of the south Saskatchewan river and that area can be made into a productive one. We realize, of course, that to pump water out of any river is perhaps more expensive than the canal system. But I would also remind the house that we have natural gas in the Bow island area, and natural gas could be used to work those engines required to pump water. We have heard a great deal about natural gas during the last two years; and natural gas can be used profitably in our irrigation systems. If it was not for natural gas in the vicinity of Medicine Hat we would not have many of the market gardens we have today. All along that river every market gardener has his own gas well.

Many hon. members in this house do not realize today that power is supplied by natural gas for the engines that are used for pumping water out of the south Saskatchewan river to irrigate these lands. That is why Medicine Hat is considered to be one of the best corn-growing areas in western Canada. I may have a few laughs from across the floor, but we do not mind that. I should like hon. members to come up and see what we have and what we have done with natural gas and irrigation. That is why I say that if the dominion government believes that we are unable to bring water down from the St. Mary river dam to Medicine Hat, we can certainly pump it from the south Saskatchewan river and irrigate thousands of acres.

There are many projects in the same position in western Canada. We all realize that. We have the St. Mary-Milk river project, the Bow river development project and the Red Deer diversion project. In Saskatchewan, you have the south Saskatchewan project. That of course may cost considerably more money than will our projects in Alberta. But when that is feasible, why should not every one of those projects be made financially possible? There is no excuse whatever, except for one thing; and that is what it is going to cost the government to put it in. We realize that we must have a larger population in our western provinces, particularly Saskatchewan and Alberta. That is one of our solutions. If we develop these irrigation projects, we are doing a great deal not only for Canada but for many other countries from which we can get immigrants.

I believe that the time has arrived when these irrigation projects must be given consideration. We should not only consider the bill before us but we should consider what can be done to eliminate the bill; I think that is more important than the bill itself. If we are going to develop our natural resources as we should, why should not the government of Canada and the provincial governments put in our irrigation systems?

I have refrained from saying anything about irrigation this session, as the minister knows. I have been waiting for him to make a statement in connection with two projects which affect my constituency particularly.

Mr. Gardiner: I would be out of order if I did so, just the same as you are.

Mr. Wylie: I am not out of order.

Mr. Fournier (Hull): Oh yes, you are.

Mr. Wylie: I am not out of order. I am showing how we can do away with this bill if we develop our natural resources in this country. I think that by doing so I am quite in order. I have been waiting for the Minister of Agriculture to make a statement as to the future development of our irrigation projects in southern Alberta. If the minister would prefer that I wait until his estimates are

called, I shall be glad to do so. I will just do that. We have the solution or part of the solution, I perhaps should say, to this bill: the utilization of our natural resources to the greatest possible extent.

Mr. Deputy Speaker: Order. The hon member is out of order. He should confine himself to the principle of the bill.

Mr. Wylie: Thank you, Mr. Speaker. I will save any remarks I have to make on irrigation until the minister's estimates are before us. However, getting back to Bill No. 209, I feel that the Minister of Agriculture should give the house some information as to what he considers are the special areas in the province of Alberta. I do not live in special areas, but we have lands in that area that are in local improvement districts that are affected just the same as the special areas. I believe that the minister should tell us just what is his idea of special areas. I am going to wait until the minister's estimates are before us to make any further remarks on irrigation; I will not say anything further about that matter at this time.

Motion agreed to, bill read the second time and referred to the standing committee on agriculture and colonization.

SUPPLY

The house in committee of supply, Mr. Dion in the chair.

DEPARTMENT OF AGRICULTURE

1. Departmental administration, $293,670.

Mr. Wylie: I may have been called to order, Mr. Chairman, on the bill that we were discussing, but I feel that I am quite in order now.

An hon. Member: Louder.

Mr. Wylie: You will hear me before I am through, so don't worry. I feel that on the first item of the Department of Agriculture we can give a general review of agricultural conditions in the country. I have discussed irrigation on other occasions in the house, and I want to say a few words about that subject before I resume my seat. I do not want to say anything in the house that would in any way embarrass either the dominion government or the provincial government before the international joint commission meets, but I do think I should say a few words on irrigation, and what it would mean not only to Alberta but to Canada as a whole.

Before dealing with irrigation I want to read an editorial regarding agriculture which appeared in the Medicine Hat *News*. I presume, Mr. Chairman, I shall be in order when I read it. The editorial is entitled: "Pie-in-the-Sky Aggie Economics" and reads as follows:

> Federal government representatives, ten of them, are tramping about the country on a mission to induce housewives to buy more dairy products, particularly milk and butter.

I want my hon. friends across the way to be sure to listen to this. I continue:

> Medicine Hatters were given the treatment this week. We could think of other ways in which such time and money could be more profitably expended, even in a public service endeavour.
>
> The urging of greater consumption of food staples, without the medium of greater purchasing power, is the nonsense of pie-in-the-sky economics.

I am sure all hon. members know that. The editorial continues:

> No mother would have to be told to buy more dairy products if she had the money in her budget to do so. The sensible alternative to such hocum is a free Canadian market in basic products. We have little sympathy with grumbling over $1 beefsteak and 60-cent butter, or any other exorbitant price demand, when it is realized that consumers have the solution within their own grasp—boycott buying.

I presume the Medicine Hat *News* supports the Minister of Agriculture. I continue:

> As long as shoppers are willing to pay the piper, then the tune will be called by the producers.

As I said, this editorial appeared in our local paper. Apparently today the Department of Agriculture have men going around the country, and ten of them were in Medicine Hat trying to convince the housewives that they should buy more dairy products. I am sure that today the housewives are buying all the dairy products that their incomes will permit them to. Whether that statement is true I do not know. The Minister of Agriculture knows and will tell us about it.

When I was home during the Easter recess I talked to many farmers in that area, and I must say that the wheat-growing farmers were rather discouraged about the new price they were to receive for their wheat. These farmers feel that during the war they contributed perhaps more to the economy of this country than anyone else by selling their wheat at a loss of perhaps $500 million or $600 million. That is the loss that was suffered by the farmers of western Canada. These farmers realize, and especially those in the southern part of the province where we have a drought area and have to depend a lot on prairie farm assistance, that their income is not very high.

Some hon. members may argue that there is one solution, namely, to leave wheat growing alone and grow coarse grains. Everyone in the house should know that in these drought areas wheat will withstand more drought than any other grain. That is a well

known fact. The farmer who may harvest six to eight bushels of wheat to an acre and has a field of oats and barley alongside it will not harvest any coarse grains. That is certainly well known in the area from which I come, and that is one reason why the farmers of that area are perturbed over the price of wheat for the coming crop year.

It is also realized that we need irrigation in that country. I want to refer to one small project to show what can be done in some small areas with the assistance of the Prairie Farm Rehabilitation Act and the provincial government. The Prairie Farm Rehabilitation Act men have done wonderful work. All of us must agree with that. It is true that it has cost a considerable amount of money. The Prairie Farm Rehabilitation Act has done very well in areas in which they have gone to build dams for small irrigation projects and dugouts for stock watering purposes.

There is one project that I want to refer to particularly, namely, the Ross creek irrigation scheme. It is a scheme within twenty miles of Medicine Hat, in which the water is diverted from a creek and put into what might be called a natural reservoir. During the run-off this year the reservoir was filled to a depth of about fifteen feet in an area that covered about four hundred acres. Any time you have an area of four hundred acres in western Canada covered to a depth of fifteen feet of water you have something that is really worth while. I may say that perhaps the farmers who are going to utilize this water may not get so much benefit out of it this year. They are storing the water for benefits that they will receive next year. The land I refer to has been eligible for drought bonus for the last seven years, since 1942. We are going to have an irrigated area of perhaps 2,500 acres where the farmers can raise feed for their stock and grain of any kind, as well as all kinds of vegetables. Through the instigation of a man who was with P.F.R.A. at one time, and who is well known to the Minister of Agriculture—I am referring to Mr. Henry Cavan of Dunmore—much has been done to promote that project. He, along with Frank McCleay, worked on the project for several years. Now they have something to show for their efforts.

That is something that can be done in many areas of southeastern Alberta. So far as a general policy of irrigation is concerned, I should be very happy to have the minister tell the committee just what has occurred by way of irrigation in the past year. I have been watching the press for announcements stating that the government has reached an agreement with the Canada Land and Irrigation Company and the Alberta government with respect to the St. Mary-Milk river project. Thus far I have been disappointed.

It will be recalled that when in the last session I referred to various statements appearing in the press the minister replied that he did not publish either paper. With that I certainly agree. However, I feel that after discussing Bill No. 209, to amend the Prairie Farm Assistance Act, we should be given some information as to what is going to be done to preserve our natural resources through the means of irrigation.

As I have said on many occasions, we have in the area of Medicine Hat the best land in Alberta, when it receives sufficient rainfall. I do not think anyone would contradict that statement. We are living in an area where our annual precipitation averages 12·70 inches and in some years is as low as 10 inches. In an area of that kind we are particularly interested in the promotion and development of our irrigation schemes.

I could speak at some length on this subject, dealing with what we could produce on those lands, the number of settlers we could care for and what it would mean to the economy of Canada. However, I do not think I should do that at the present time. On the other hand I feel consideration should be given by the federal and provincial governments to extending the existing projects in that area.

I appreciate what the Minister of Agriculture has done, and realize that he is up against some difficulties in promoting irrigation in southern Alberta. I know there are certain interests in eastern Canada that are opposed to the dominion government's spending large amounts of money in the development of irrigation on our western plains. May I say to those who would oppose such projects that the farmers and all others in western Canada have done their part in assisting to keep some of those who now criticize western Canada.

I have here many editorials which have appeared in some of the eastern newspapers in which easterners are critical of the development of our irrigation projects. I do not think it is necessary to read these to hon. members, because every hon. member must realize that when one part of Canada is helped, all of Canada is helped. That has been brought to our attention with great force in the last month when two areas in Manitoba have been flooded. Those farmers will not have an opportunity to sow a crop this year; if they do, it will produce only feed. We

also have in mind the disastrous fires at Rimouski and Cabano in Quebec, and extend to those people our sincere sympathy.

Those of us in the dried-out areas of western Canada believe that the people of Canada generally have the same sympathy for us when we have a crop failure. And so it is in this spirit that I say to the Minister of Agriculture and other members of the federal government that everything should be done to bring about increased production on our great western plains.

One of the greatest mistakes we make is in our reference to the Palliser triangle. The time has long since passed when we should refer to western Canada in that way. As John Fisher said in a most able broadcast last fall from Lethbridge, it is time the people of Canada forgot about the Palliser triangle and got together to develop our land as one country.

Mr. Browne (St. John's West): Mr. Chairman, may I call it six o'clock?

Some hon. Members: No.

Mr. Browne (St. John's West): I made the suggestion only because of the example set by other hon. members who have done the same thing. In rising to speak in connection with the first item in the agricultural estimates I realize that some hon. members may wonder why a member from a province with such a reputation for its fisheries should speak on agriculture. The fact is that agriculture is of great importance to Newfoundland. I hold in my hand a copy of the "Industrial Survey of the Resources of the Province of Newfoundland", prepared by Donald, Ross and Company, Montreal, for the Newfoundland industrial development board, and it was a great pleasure to me to find that in this report agriculture is stressed as being of great importance in the economy of the island. Dealing with that subject the writer says:

> Farming, while on a comparatively small scale, occupies an important place in the economy of the island as the produce is largely grown for home consumption; whereas the other basic industries, fishing, pulp and paper and mining, produce almost exclusively for export.

During the past nine years Newfoundland has been riding the crest of a wave caused by the coming of Americans and Canadians who built large military and naval establishments in the country, and also because of the fact that high prices were received for the products of our fisheries, mines and forests which were exported. I felt somewhat doubtful of the position which I had always maintained when I saw these industries going ahead so fast and our people finding such easy money in working therein. I felt that in neglecting agriculture to work in those industries some of our people were really neglecting their own best interests. In the past few months we have noticed that the fishing industry is not as reliable for a country's economy as a well-balanced agriculture. Next week a conference will be held in Ottawa attended by representatives of the salt cod fishing interests to discuss what can be done to market the balance of the 1949 catch and what they are going to do about fishermen who have refused to fish during the coming season.

It has been my belief that agriculture occupies the same place in Newfoundland as it does in other parts of Canada. In my opinion it is the most important industry, and I believe the early settlers realized that. When John Guy came to Newfoundland in 1610 he made an attempt to sustain his small colony by the produce taken from the soil. Unfortunately the attitude of the British government was to discourage both agriculture and colonization so that it was not until 1813 that land was first granted for agriculture.

Within a few short years after that date all the available land around St. John's was taken up. It must be remembered that at that time there were no roads in the country; there was no means of communication except by water. In a comparatively short time many fine farms were built up around St. John's, one by Governor Cochrane, the first governor after we were granted representative government in 1832. Roads followed as the result of the farm development policy. One farm was established in a place called Mount Pearl, called after the gentleman who established it, Sir William Pearl, I believe. Within the past ten or twelve years an experimental farm was set up on that very place which has now been taken over by the federal government. We expect that many experiments will be carried on there which will be of great benefit to the country.

Unfortunately the story of agriculture in Newfoundland has been in a minor key. The economy of the country has been largely controlled by the strong mercantile and fishing interests. For hundreds of years the fish merchants made millions of pounds out of the fisheries and then often retired with their accumulated profits to England and spent nothing upon the development of the country. It was not until 1904 that the first paper mill was established. Prior to that time the interior of the country had hardly been touched.

In 1908 the first attempt was made to establish an experimental farm when the

prime minister of that day, Sir Robert Bond, who himself operated a profitable farm at a place called Whitbourne, established the first experimental farm near St. John's. Unfortunately he was defeated in the election of 1909 and the government that followed placed a lawyer in charge of the department of agriculture with the result that within a year the place was sold and the experiments abandoned. I trust the Minister of Agriculture will sympathize with the misfortunes of the people of Newfoundland when a policy such as that was carried out.

I believe he and his advisers should know that Professor Zavitz, who had quite a reputation in this country, advised Sir Robert Bond on the setting up of that model farm; to have that work jettisoned proved a great handicap to the progress of agriculture in Newfoundland.

Item stands.

Progress reported.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

PRIVATE BILLS

SECOND READINGS—SENATE BILLS

Mr. H. W. Winkler (Lisgar) moved that the following bills be read the second time:

Bill No. 211, for the relief of Reuben Robert Shapiro.—Mr. Winkler.

Bill No. 212, for the relief of Mary White Sheppard.—Mr. Winkler.

Bill No. 213, for the relief of Ulderic Cadieux.—Mr. Winkler.

Bill No. 214, for the relief of Helen Irene Barney Hutchinson.—Mr. Winkler.

Bill No. 215, for the relief of Alice Jean Young Gulliver.—Mr. Winkler.

Bill No. 216, for the relief of Joseph Lucien Alphonse Martel.—Mr. Winkler.

Bill No. 217, for the relief of Georges Emile Bernier.—Mr. Winkler.

Bill No. 218, for the relief of Margaret Veronica Quinn Davies.—Mr. Winkler.

Bill No. 219, for the relief of Max Gurevitch.—Mr. Winkler.

Bill No. 220, for the relief of Romuald Joseph Jean Lamoureux.—Mr. Winkler.

Some hon. Members: On division.

Motion agreed to on division and bills read the second time.

Mr. Speaker: These bills are referred to the standing committee on miscellaneous private bills.

[Mr. Browne (St. John's West).]

DOMINION ELECTIONS ACT

AMENDMENT TO REDUCE THE ELIGIBLE AGE OF VOTERS FROM 21 TO 18

Mr. H. R. Argue (Assiniboia) moved the second reading of Bill No. 11, to amend the Dominion Elections Act, 1938 (age of voters).

He said: Mr. Speaker, in moving the second reading of this bill I shall be brief. I do not want to contribute to talking out the bill, and it is my hope that it may be dealt with during the one-hour period. My amendment would reduce the eligible voting age from 21 to 18 years. From time to time over the years various amendments to the Dominion Elections Act have been brought down. On various occasions parliament has decided that amendments were necessary in order to broaden the basis of the franchise and make each election as far as possible reflect the will of the people. Some provinces, notably Alberta and Saskatchewan, have already placed in their statutes a voting age lower than 21 years. In March, 1944, Alberta reduced the voting age from 21 to 19 years. In March of 1948 Saskatchewan reduced the eligible voting age for provincial elections from 21 to 18 years.

One of the main reasons that I feel parliament might well adopt this amendment is the fact that the standard of education is steadily improving. The present generation of young Canadians is better trained and better educated than any preceding generation. The 1941 census showed that the average education of Canadians 18 years of age was just over grade 10. In 1911 the census showed that the average education was just a little above grade 7. I believe the 1951 census will show a further improvement in educational standards and accomplishments.

It seems to me that with the present voting age of 21 years there is too great a gap between the time a student leaves high school and the time that student is likely to vote in an election. I think all political parties agree that for the proper functioning of a democratic system it is necessary and desirable that the youth of the country be interested in public affairs. So each political party represented in this house has its own youth organization. I am sure members of all parties will agree that it is most difficult now to get young people interested in Canadian affairs, and I think one of the reasons it is difficult is the fact that quite a number of years must elapse between the time a youth leaves high school and the time he is eligible to vote.

While anyone in Canada of the full age of 21 is eligible to vote in a federal election, that does not mean each person on reaching

the age of 21 can vote at that time, because federal elections usually come only once every four or five years. This means that most young Canadians must wait until they are 23 or 24 years of age before getting an opportunity to vote. Speaking for myself—and in this perhaps I am different from other hon. members—I did not have the opportunity to vote until I was 24. In that election I probably used bad judgment, along with many other people, in that I voted for myself. If I had been given the opportunity to vote in the 1940 election, when I was 19 years of age, I no doubt would have voted for someone else. In any case, if this house should decide to reduce the voting age to 18 it would mean that the average age at which young Canadians would in fact have the opportunity to exercise their franchise would be 20 or 21 years.

I believe that if the voting age were reduced all political parties and associations across the country interested in public affairs would have much greater success in getting young people into their organizations and in having them take an active interest in the civic, provincial, national and international affairs of the day. I am sure most youths leaving high school ask themselves what is the advantage in being associated with a political party or of interesting themselves in public affairs if they must wait five, six or seven years before getting an opportunity to vote. I believe that Canadian youth in our high schools today are getting a valuable training in democratic processes, and I think they would be more likely to maintain a continuing interest if they knew that at an early date they would have the opportunity to vote.

Along with that reason, as I mentioned previously, there is the fact that our young people today are the best educated perhaps of the young people in any country in the world. The fact that they have great ability and great intelligence is proven by the magnificent and heroic part played in the war by Canadian youths eighteen, nineteen and twenty years of age. They showed during that time that they were capable of taking the most advanced and intricate training in the armed forces; that they were able to operate skilfully the modern and complicated instruments of war. Our nation felt, and rightly so, that it was wise to spend $25,000 in the education of a navigator or a pilot. Our enemy learned that the teen-aged Canadian youth was a formidable opponent on the field of battle.

I believe that since it was the right thing at that time to give all members of the armed forces a vote in the election, even though they were in their teens, it is certainly right and proper for the parliament of Canada to give youth who may be called to the colours a chance to exercise the vote in an election before that call might take place. While the effort achieved by young Canadians in the recent war left nothing to be desired, yet I believe young Canada has the right to a voice in public affairs when, at any time, it may be called upon to join the armed forces and be asked, in many cases, to make the supreme sacrifice in the defence of our democratic institutions. If our democratic institutions are worth the lives of young Canadians and I believe they are, then in peacetime those same young Canadians should have a voice in the affairs of our nation.

Because, Mr. Speaker, I believe Canadian youth is intelligent enough to cast a responsible ballot in an election, because Canadian youth has shown such great accomplishments in the armed forces during wartime, I would ask the house to support this bill.

Mr. Goode: Would the hon. member permit a question? How many young people in the dominion would this affect? Have you any idea?

Mr. Argue: I am sorry I cannot give my friend the exact figure but I would estimate between 600,000 and 700,000.

Mr. T. A. M. Kirk (Digby-Yarmouth): Mr. Speaker, I was very interested indeed in the presentation of the member for Assiniboia (Mr. Argue). At the same time, I was rather disappointed that he did not go a little more fully into the argument as to why he thinks we should reduce the voting age from twenty-one to eighteen. I did appreciate his naïveté in suggesting that, had he been somewhat older the first time he voted, he would not have voted for himself. I wonder if he might carry that a little further and suggest, if he is not to be under a misapprehension as to what he should have done, that it may have been due, not to the fact that he voted for himself but to the platform for which he voted. Had he been more mature, he would have weighed the various platforms more carefully.

Before making any decision on a problem such as this a person must give it serious consideration, and look at the pros and cons of the argument. The bill is quite brief, but put in simple, non-legal language, it amounts to lowering the voting age from twenty-one to eighteen, or in other words permitting all those eighteen years of age or over to cast their ballot. It appears to me that, in approaching a question of this magnitude, we should consider its relative importance along with the other problems which come to mind when one is thinking of the franchise as we have it here in Canada.

Today I think of such tests as the test for literacy; I think of the problem of compulsory voting; I think of our present residence requirements; of the advance poll requirements, and those who lose the opportunity of casting their ballot on election day because they are thirty miles at sea, or not living in a certain urban area, or are living in some area that should be annexed to an urban area for voting purposes. I think of the problem and the discussions that have gone on throughout this country with reference to the single transferable vote. In addition to those questions, there are others that come to mind. One of the first things that come to my mind is this. Is there any great demand across this dominion for such a change in the voting age?

Another question that comes to my mind is, how many between the ages of eighteen and twenty-one are at all interested in government at any level? How many countries, how many states, or how many provinces permit those under twenty-one years to vote? I should like very briefly, Mr. Speaker, to mention a few of the countries which have different minimum voting ages. I have no intention of reading any table or asking that anything be put on *Hansard*, but I should like to call the attention of the house to the fact that in the United States there is one state, the state of Georgia, which permits voting at eighteen years of age. Then, as the member for Assiniboia mentioned, the province of Saskatchewan reduced the voting age to eighteen some four or five years ago. I believe the only province that permits voting at nineteen years of age is the province of Alberta. The other provinces have a minimum voting age of twenty-one, and of course, the same minimum voting age is required under our own Dominion Elections Act. The same is true of Great Britain and Northern Ireland, and I should like to mention four or five other countries: Ireland, Australia, for both commonwealth and state elections; New Zealand; South Africa; Egypt, and so on. Then, of course, there is the United States. I am giving it the positive approach now, because I gave it the negative approach in referring to the state of Georgia in which voting was permitted at eighteen years of age. In all the other states a voter must be twenty-one years of age, and that is true of the federal elections.

There are certain countries that permit voting at eighteen years of age outside the North American continent, such as the Argentine, Brazil and Uruguay. I believe France has twenty years of age. Such countries as Belgium and Portugal have twenty-one years of age. It is twenty-three years of age in Norway and Sweden; twenty-four years of age in Finland and twenty-five years of age in Denmark and the Netherlands. In looking at that list of countries we should seriously consider the types of government that we find, and the stability of those governments. I believe that if you analyse them carefully you will find there is a direct relationship between a high minimum voting age and stability of government.

I have worked in the field of education for practically all of my adult life—as a teacher in rural and village schools, as a high school teacher in urban schools; as an inspector of rural, village and urban schools; and latterly in vocational education in my native province of Nova Scotia where we find those from the ages of sixteen to sixty-five or seventy attending night classes in the various vocational fields.

I look back over my years of experience, and I believe that I can look fairly honestly and objectively at those in that group of eighteen to twenty-one years of age. I look at that group and what do I find? I find that a large number are not self-supporting. I find that large numbers are still in high school, and that many of them are still in the universities. Of those three groups that I have mentioned, of course practically all of them are being looked after financially and are being given a home by their parents. Few of them have any home responsibilities. I am quite willing to admit, and I am proud to do so as a Canadian, that many of them are well developed—perhaps I should say mentally—and responsible. Few of them show much, if any, interest in government at any level.

The hon. member for Assiniboia (Mr. Argue), in introducing the bill, felt that because the average age of the pupils had increased greatly during the last few years, that was all the more reason why we should give them the vote at an earlier age. I feel that there may be a certain danger that those who have spent all of their life, prior to reaching voting age, in attendance at school may have been unduly influenced by various teachers. At that particular time of life, according to my experience as I look back on my own boyhood days, I think the teacher had a great deal more influence on my thinking than the home. I can say frankly that in my home many discussions were held with regard to the political situation not only in our own province, and in our own country, but also throughout the world. But still and all, as a schoolboy, I think that you are more apt to give weight to the opinions of your schoolteacher than to those of your parents. If that is valid—and I believe it is, basing it upon my experience in the field of education —it appears to me that is all the more reason

why a person should be out of school for a few years, should have a chance to mix with those who hold different opinions, and a chance to study the platforms and proposals of the various political parties as given over the air, in the magazines and newspapers.

The hon. member for Assiniboia mentioned the number of people who would gain the vote if the age were to be reduced to eighteen. I am not going to attempt tonight to estimate this statistically, but I think it is a fair statement to make that a small percentage lose an opportunity to vote in more than one federal election. Probably, Mr. Speaker, I had better play safe and not make any estimate, because some of my friends may be mathematicians; I would say, however, that the percentage of those who lose a vote would be small.

I am not a lawyer, but I understand that persons attain their majority at the age of twenty-one, that they then have the full capacity to enter into a contract, and that they may sue or may take action in the courts under their own name. I believe that it is possible for a minor to transfer property but that when he becomes of age he may, if he wishes, repudiate the transaction. There are many limits to his responsibilities as a minor. Bearing in mind those limitations, it would appear to me that all of the various acts would have to be amended so that the age of majority became eighteen rather than twenty-one.

It appears to me that this proposal requires serious thought, deep study and a great deal of discussion. Not being a member of the special committee set up to study the elections act, I do not know whether this proposal will come before the committee or not. But I should think that in a committee studying various proposals with respect to the elections act, there would be a much better opportunity to study this problem and to bring before the house the considered opinion of a small group who had spent many hours in study and discussion than would be the case in trying to decide the matter in the hour or less which is available this evening.

Believing sincerely, as I do, that it is an important problem, and that it should be considered most seriously, I believe that it is not fair to try to arrive at a decision without thorough discussion. With that in mind, I should hate to see any decision arrived at on a problem of this momentous importance without a great deal of further discussion.

Mr. J. W. Noseworthy (York South): I rise, Mr. Speaker, to support this bill. I am rather disappointed to find a comparatively young and intelligent member of the Liberal party, and also a former schoolteacher, opposed to this bill. I would not be at all surprised to find some of the older members in the house opposed to it, but I had hoped that schoolteachers as a class were just a little bit more progressive in their thinking than ordinary citizens.

Mr. Kirk (Digby-Yarmouth): Perhaps some of them are.

An hon. Member: Not where I come from.

Mr. Noseworthy: The previous speaker advanced a few arguments which, in my opinion, have little bearing on the question. For instance, he pointed out that other countries, countries much older than Canada, have not yet granted their eighteen-year-olds the right to vote. To me that is no reason whatever why this vigorous young country should not give some leadership to the rest of the world and show the rest of the world that we are not afraid to trust with the ballot at election time that age group that we called into the armed forces. The hon. gentleman pointed out that there was no great public demand. Naturally, there is no great public demand apart from the eighteen to twenty-one-year-olds. It may be that those who make up the large body of party organization membership are just a little bit afraid of giving the eighteen to twenty-one-year-olds too much voice in the affairs of the country. The question was raised that there is a lack of stability in the eighteen to twenty-one-year-olds. I think you will find it difficult, Mr. Speaker, to defend that position which refuses to give that age group the right to vote, when we considered them to have sufficient stability to take their place in all branches of the armed forces and to be trusted with great responsibility. During the late war, we all saw boys and girls of the age of eighteen taken out of the classrooms of our schools across the country. We are all familiar with the sense of responsibility with which that particular age group carried on their work. As the hon. member who introduced this bill pointed out, so long as we insist on eighteen-year-olds wearing the king's uniform and playing their part in war we have very little argument for not giving them the right to vote at elections.

I have some knowledge of young people. Like the former speaker, I worked among young people for a great many years, and among the age group with which we are concerned in this bill. I would say that judged by any other standard except that of age they are as well qualified to vote as any other age group of citizens in this country. Judged on any other basis except that of age—you can judge them by their educational attainment —I think you will admit that the eighteen to

twenty-one year olds today as a group are better educated than any other four year group of citizens.

In my opinion the eighteen year old today is much better qualified to vote than was the twenty-one year old ten years ago, by reason of the advance which education has had in this country. Judging by their interest in public affairs, you may go into any high school or collegiate across this country where you have a group of eighteen to twenty-one year olds, and you will find they are as keen and as interested in public affairs as any other group of citizens. It is only when they get out of school, when they come up against the hard facts of life, when they become disillusioned with the realities of life, that they begin to lose that keen interest in public affairs which they attained while at school.

Judged on the basis of ability to accept responsibility I think those who have had experience with placing responsibility into the hands of our young people of that age group will agree that they can measure up to the opportunities that are before them. Therefore, Mr. Speaker, I support this bill most wholeheartedly. I am sure the mover of it did not expect the Liberal government to pass it tonight. I am quite sure he knew, as I know, that there are enough members sitting on the Liberal benches to talk it out to the end of the hour without bringing it to a vote.

Some hon. Members: What are you doing? You are doing it yourself.

Mr. Noseworthy: I doubt very much whether the mover of this bill did not introduce it for the very purpose about which the last speaker spoke, namely, that this question might be brought before the country, that it might receive consideration, and that in time it might get the consideration that it merits. I am quite sure that some of us will keep bringing this bill back to parliament until we have educated those who are opposed to it.

Mr. Robert Fair (Battle River): As one of the older members in age and as one of the older members in experience in the house, I am not sure whether I am doing a very wise thing in standing up after the two schoolteachers have spoken. If we are to judge the teachings given to the students by some of the recommendations made in some of the speeches that are given in the house then I think we should give the students a chance to get out and come up against the realities of life before asking them to vote.

I know I am treading on dangerous ground because everywhere I look around me I find teachers. But regardless of that fact I am taking a chance, and I think a very sound chance, in opposing this legislation.

We have been told that eighteen year olds should be given the right to vote. In our experience I think we find that most of the eighteen year olds are still in school; and in school they are given many ideas that are not for their benefit or for the benefit of Canada. I am not saying that that is true in all cases; but when it comes to political and economic thinking, in some cases they are given many false ideas in our schools today. I do not say in all the schools, but at least in some of them.

Mr. Noseworthy: We need more Social Credit teachers.

Mr. Fair: I repeat, it is necessary to give them a little time to come up against the realities of life before charging them with the responsibility of voting.

We are told that the eighteen year olds were enlisted in the services. While the legislation was to that effect, the eighteen year olds were not called upon until they reached the age of eighteen and a half. And there are some arguments that have not been brought out so far. The eighteen year olds were not placed on their responsibility after they enlisted. They were given their uniforms, their food, their beds and they were told what to do from the time they got up in the morning until they finished their day's training.

Mr. Noseworthy: And so were the thirty year olds.

Mr. Fair: I feel that they were not given much chance to stand on their own feet. During all their training, and throughout their service they did what their officers told them to do. Therefore the argument that they were enlisted in the army is not sufficient ground to give the eighteen year olds the right to vote. As soon as they are of sufficient age and experience to get the vote, I would be one of the last to deny them that right; but I believe we should give them an opportunity to get experience and sufficient education to be able to discharge their obligations properly when it comes to voting. In addition, wartime is different from peacetime. We do many things in wartime that many of us would not wish to see done in peacetime.

Since I rose to speak I have been reminded of the nineteen year olds and have been asked, what about them? In my home province of Alberta the nineteen year olds have the right to vote, but in that case it must be remembered that they are dealing mainly with provincial matters. In the case of federal elections we are dealing with

federal and international matters as well. I am very sorry that many of the older people do not take a much greater interest in the use of their ballots and the responsibility of their ballots than they are doing at the present time.

Many people are glad to enjoy the freedoms of our country and the privileges that have been granted to them, but many, many people refuse to accept and discharge the responsibilities that go with that freedom and that opportunity. I think something that is much more important than granting the vote to the eighteen year olds is giving the older people the proper enlightenment. As soon as an election rolls around it seems that many people, far too many, go out and tell stories of many kinds—false stories—for the purpose of getting votes. That is a wrong thing to do; people should be given the facts. Let them use their best judgment in casting their ballots.

Mr. G. T. Fulford (Leeds): Mr. Speaker, as the father of three children, two of whom have reached voting age, I take this opportunity of speaking in this debate. Incidentally, one of these children reached voting age just a few days after the election in June, and as a result could not vote for her father.

An hon. Member: Too bad.

Mr. Fulford: I do not know how she would have voted, either. My older boy, by the way, just received word this evening from McGill university that he has succeeded in obtaining his B.A. degree.

Some hon. Members: Hear, hear.

Mr. Fulford: He is now twenty-two years of age, and I can assure you, Mr. Speaker, that the attitude of that boy today is quite different from what it was when he was eighteen. Young men and young women of eighteen years are still at an impressionable age. Either they have just left school or have just begun work or entered college. As the hon. member for Digby-Yarmouth (Mr. Kirk) has pointed out, they have been influenced by their teachers. They have also been influenced by their parents. All hon. members will agree that parental influence is one of the great virtues in this world; but on the other hand how many parents drill into the minds of their children the thought that they should vote just as their parents have always voted? That line of direction is not going to improve a country's voting.

Then, in the matter of influence exerted by schoolteachers, let me say at once that I have nothing but the highest regard and respect for the teaching profession. In fact, to my mind it is probably the most necessary profession to be found in any modern civilized country. The fact remains however that among teachers, as among other groups in society, there are a few radicals who compose a very noisy minority. As in other phases of life, this noisy minority makes itself loudly heard, and its influence is out of all proportion to what it should be.

Radical ideas can be taught more readily in schools than at any other time of life, simply because the boy or girl at the school is at the most impressionable age. I cannot help feeling that it takes at least three years after the young man or woman has left school to get, by means of the hard knocks in life, an appreciation of the realities of life.

I do not wish to repeat anything that has been said with respect to young men and young women. But as to young men and young women who have been enlisted or drafted into the armed services of Canada, we know that they are given the vote. As has been pointed out already, these young men and women, as they would be in schools, are under rigid discipline. They are accountable to their superior officers and in some instances are influenced so that they will vote as they are told to vote. It is unfortunate that this should be so, but I do not believe there is a member in the House of Commons who would deny the fact that an officer in the armed forces wields a tremendous amount of influence in respect of how the men under his command will cast their ballots.

I would doubt that permitting young men and women of eighteen to twenty-one years the right to vote would in any way prevent this country from entering another war. I should not think it likely that the influence of young people would so affect the policy of the government of Canada in respect of its external affairs that war would be avoided, so that those young people would never again be forced to fight in the armed services. I am afraid the argument used in that respect, where it is pointed out that young people could avoid armed service were they allowed to vote, is a weak one.

It was my good fortune at this session and the last one to have as my guests the students of no less than four schools from the county of Leeds. These were the students of two high schools and two continuation schools. In two of those schools mock parliaments have been organized. They have their own elected prime ministers and their own elected cabinets, and to a certain extent they have accepted the responsibility of maintaining student discipline. These young people are very keen about their parliament. One of their chief reasons for wishing to come to Ottawa has been to see how this House of

Commons compared with their parliamentary attempts. Those students have been most interested spectators in the gallery, and they have left greatly impressed with the dignity of the house. The actual working of a democratic assembly has been brought home to them, and they have all agreed that they have learned something from having been here.

But, Mr. Speaker, of those two hundred students who visited here, some of whom were eighteen years of age, I have not heard one ask that the voting age be reduced from twenty-one to eighteen. I have not such a closed mind that I would not agree this matter should be given further study; but I do not think the time is ripe for passing a bill of this kind. I heartily agree with the hon. member for Digby-Yarmouth that this is a matter having a degree of importance sufficient to merit its being referred to a committee for further study, and for recommendation to the house.

Mr. J. H. Ferguson (Simcoe North): Mr. Speaker, unfortunately I was overseas at the age of eighteen. But it strikes me forcibly that if I had been permitted to vote, and had not been overseas, at that age I might have even voted C.C.F. If I had been permitted to vote at nineteen years I might have voted Liberal. Fortunately, I got a few bumps in the war and when I was permitted to vote at the age of twenty-one years I voted Conservative, after my eyes had been opened.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, some of the remarks that have been made are rather revealing. There seems to be a fear on the part of some of the older members that these young people may have ideas that are different from ours. They have been referred to as false, as radical, but it is the same old story of people thinking that because young people think differently they must be wrong. I am reminded of a statement I heard a few months ago and which I believe was attributed to Dr. Brock Chisholm. He said something like this: There is a very real danger that our children may grow up to be like us.

Mr. Mitchell: I hope they don't.

Mr. Knowles: That is just the difference between those of us who think that young people should be given responsibility and some of the older members of this house. We recognize that another generation might do a better job with our nation and our civilization than our generation has done. It is just plain blindness on the part of an older generation not to give more responsibility to those who are younger.

[Mr. Fulford.]

The hon. member for Digby-Yarmouth (Mr. Kirk) suggested that those between the ages of eighteen and twenty-one were not interested in public affairs. I suggest that one of the reasons they are not interested may be that we are not inviting them to be interested by calling upon them to exercise the responsibility of voting. The hon. member for Digby-Yarmouth suggested that the higher the minimum age for voters, the more stable your government. I do not see why he does not carry that to its logical conclusion and raise the minimum voting age to seventy years. Then if only the old age pensioners were able to vote we might get a different kind of government than we have today. The fact of the matter is that we are hearing the same old argument that because somehow or another young people are different, they are not as responsible as we are.

I will confess that I am getting old enough that at times I have thought that about the younger generation, but I want to repeat what I said a few days ago, that any opinion I might have had along that line was dispelled for all time when I was home in Winnipeg last week. I say categorically, fully recognizing all the work that older people by the thousands have done, that if it were not for the boys and girls of twenty-one years and younger who are at work on the dikes in the Winnipeg area, Winnipeg would be under a lot more water than it is. These boys and girls of twenty-one years and under have shown a sense of real responsibility and I think we older people should give them the further responsibility of the right to vote.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I perhaps am inspired or stimulated to speak this evening by what the last speaker has said. I cannot claim to be one of the younger members in this house, but I would like to think that I am not one of those who believe that young people should be dragooned by older people into what they should think. I believe that in our own party we should have more of them at work with us, and I am glad to think that we will be able to do it. I really rose to my feet because I think there is a danger of sentimentality taking charge here. We must remember that there is such a thing as common sense. I echo almost every word said by the hon. member for Digby-Yarmouth (Mr. Kirk). I was glad it was said by a schoolmaster because after all he should know young people better than we do.

I admire the heart of the hon. member for York South (Mr. Noseworthy), but I do not admire so much his head. It seems to me it is one thing to get young people interested, but the hon. member for York South really

got to the position where he was saying that there is nothing in experience. Those of us who are older do not think that there is too much in experience because we have made too many mistakes to flatter ourselves, but I do suggest that there is something in experience. When we go to the length of practically saying that there is not, I think we are becoming sentimental.

There is just one other thing I want to say. I think to use the army as an analogy is one of the most misleading things that could be done. I take second place to no one in my admiration of what many young boys of eighteen years or under did during the war. They did things that no one else in the world could have done. They were able to fly aeroplanes in a way that an older man could not; in fact they said that a man of twenty-five who was still in the air was practically in his grave.

But to say that because they make such splendid soldiers between the ages of eighteen and twenty-one years we should give them and all others of their age the vote seems to me to be just letting our feelings run away with us. I think the sober views expressed by the hon. member for Digby-Yarmouth based on the wide experience of other countries should be considered. Why should we ignore the experience of other countries? Is it just an accident that those countries which have shown stability, which is so lacking in this world, have not acceded to the suggestion of an extreme minimum age for voting?

Mr. Daniel McIvor (Fort William): Mr. Speaker, there are two arguments in favour of reducing the age for voting from twenty-one years to eighteen, and one cannot be disproved. When you conscript men to fight then it is not as important that they should cast a vote, even for myself, on election day as it is to have to go to fight for their country. The other argument advanced is that, when we allow people of eighteen years to get married they should be allowed to vote, and, if that is admitted, we are considering it is not as important to cast a vote as it is to get married.

That argument does not hold water because I find on our order paper many bills for the relief of John Robert from Mary Anne and so on. I do not think people should get married at eighteen years of age. I did not have enough sense then and perhaps I have not yet.

Mr. Speaker: The hour for private and public bills having expired, the house will continue the business under discussion at six o'clock.

Supply—Agriculture

SUPPLY

The house resumed in committee of supply, Mr. Dion in the chair.

DEPARTMENT OF AGRICULTURE

1. Departmental administration, $293,670.

Mr. Browne (St. John's West): Mr. Chairman, at the six o'clock recess I was referring to the first experimental or model farm which had been established near St. John's in 1908 by Sir Robert Bond, who was prime minister at the time. It was his idea to establish farming as a vocation in Newfoundland and it was for that purpose that he set up this experimental farm. However, it was his successor's idea that fishermen-farmers should be encouraged, but I have always thought that there was room for both. I may say that the minister of agriculture in the government returned in 1909 was a lawyer. As everyone who has been in Newfoundland realizes, while there are certain areas suitable for large-scale farming, there are many other places where people are crowded together, where the men carry on fishing but there is still room for little gardens to supplement their earnings from the sea.

The government that came into power in 1909 favoured the establishment of agricultural societies, and gave them grants on a fifty-fifty basis. These probably did some good, because they enabled the farmers or the fishermen-farmers to purchase seeds and equipment for their farms; but I think it is true to say that during the following ten years, up to 1919, not only did agriculture not progress in Newfoundland, it actually declined.

In that year a new government came into power, one member of which was a distinguished gentleman from Prince Edward Island who had a traditional knowledge of farming which he proposed to put into operation in Newfoundland. He set up another model farm. I shall not go into the history of the department of agriculture during those sad four years for Newfoundland. Suffice it to say that the government resigned in 1923, after having been re-elected that very year, and the succeeding government disposed of the model farm by auction, lock, stock and barrel, so there was no act on the statute books of Newfoundland dealing with agriculture except a sheep preservation act, and that was not carried out. That sheep preservation act, I may say, set up a fund to compensate the owners of sheep that had been destroyed by dogs. It has always been a big question, especially in certain areas of Newfoundland, whether it is preferable to have sheep or dogs, and I think the dogs have won out.

In 1926 Sir Robert Bond died and in his will, like Julius Caesar, left his property to the province. He had a fine farm consisting of some ten square miles of cleared land and fine woodland right on the railway and at a central point in the peninsula of Avalon. This was bequeathed to the people of Newfoundland to be used as a model farm forever; but what did the government of the day do? It declined to accept the bequest. I take pride now in the fact that I was one of the very few, if there were any others, who stood up in the House of Assembly and advocated that the government should accept that bequest and operate the property as a model farm. The government was afraid to do that, however, because between 1919 and 1923 the model farm had been such a hopeless failure. The real reason the government did not take that property and work it as a farm was that it did not have a proper appreciation of the value of agriculture in the economy of Newfoundland.

In 1932, when our country fell upon very difficult times and we were in the throes of a financial crisis, a land development association was formed under the promotion of the president of Memorial University college, a distinguished educationist; and that association did valuable work, without any outside assistance of any kind, in encouraging people who were unemployed to work on allotments. It assisted many people throughout Newfoundland to obtain seed and fertilizer. Especially was that so in Bell island, where the miners were working only two days a week. I was a member of that land development association, and with our assistance those miners purchased seed and fertilizer, and were able to produce fine crops from their gardens. I may add that there is very good soil on Bell island. They had an exhibition that year which I believe would have done credit to any place of the same size in Ontario or Quebec. That exhibition opened the eyes of many people who attended it.

Then when the commission government came in, in 1934, they investigated what should be done. They had before them the Amulree report setting out the history of agriculture, as well as that of other industries; and Mr. Lodge, who was commissioner for public works, took it upon himself to make a private investigation. I well remember hearing him say that of all the industries he had examined the one he felt would give the greatest results from the application of artificial stimuli was agriculture. Unfortunately, however, when he went to apply these artificial stimuli he went to the wrong place. Where did he go but to a boggy area in the rear of the very property of Sir Robert Bond which the government had refused back in 1926? As a result the commission government had an extremely difficult task in trying to bring about land settlement in that area, though they did take unemployed people from St. John's and put them on the land there.

That was a very expensive experiment. Nevertheless I believe the government learned a great deal from it, and as a result they went on to further experiments, and to establish settlements at such places as Markland, Midland, Vinland, Lourdes, where a combination of farming, logging and fishing made the experiment very successful, and Brown's Arm, where good guidance brought about the same result. Later the experience gained in these experiments was utilized in the settlement of veterans in the valley of the Upper Humber river. The commission government also brought to Newfoundland Mr. McCharles who was a splendid director of agriculture. Unfortunately for Newfoundland he enlisted as soon as war broke out and we lost the benefit of his services. We had another director of agriculture, Mr. Gillis, who studied at Truro agricultural college, but I am sorry to say he retired the other day and went back to farming. The commission government gave bonuses for clearing the land; it instituted a survey of soils in different parts of the country, and it assisted those interested in clearing land by the use of tractors.

Now a new era has begun with confederation; but though the director of agriculture resigned, as yet no one has taken his place. Nor was there any mention of agriculture in the budget presented by the premier the other day. I was sorry to see that, because I knew he had carried on experiments in farming himself. Last session the Minister of Agriculture, during the course of a debate on the rehabilitation of farms in western Canada, while dealing with the question of marshlands in New Brunswick said he would like to go to Newfoundland to see if he could do anything of that nature there. Well, I am very glad to learn that the minister hopes to go to Newfoundland. I trust he will come, but I hope he will not keep that subject uppermost in his mind. There are other things I believe would be of greater service and would bear fruit more quickly than the reclamation of marshlands. What I think we need in Newfoundland at the present time, if I may venture to say so, is an extension of the school of agriculture that was created by the commission government at its experimental farm which the federal government is now taking over. We also need illustration stations similar to the two hundred or more stations scattered across Canada. I believe there are ten in Prince Edward Island, and

on that basis I think we should have at least thirty in Newfoundland. In any case I hope it will be possible to have a good many.

We want farming to be elevated. We want the public to realize that farming is a very important vocation and that those who pursue it should be honoured and not belittled. We want those who are interested in settling the land to be given assistance in clearing the land. I know that during the last couple of years it has been impossible for a man to get the use of a tractor. There were so many people looking for a tractor to clear land that a man was told he would probably have to wait until next year to get his turn. There were not enough tractors available to enable the land to be cleared. I think that is regrettable.

We want exhibitions to be encouraged. I am sure that the minister would agree that exhibitions are a most valuable adjunct to the promotion of agriculture. We have local exhibitions in Newfoundland, but for many years now we have had no provincial exhibition, and we need provincial exhibitions. Our people ought to be encouraged to take part in the Canadian national exhibition. I remember reading in Prouse's history that one hundred years ago oats and barley from Newfoundland had been sent over to Edinburgh, and won first prizes in an agricultural exhibition. I believe barley can be grown in Newfoundland as well as in Canada. I certainly hope to see the minister go to Newfoundland, so that he can see for himself what the conditions are. I think he can gain more knowledge by a trip around the province than he can by listening to reports from me or anyone else. I believe he will be able to ascertain what our problems are, and he will see that there are these areas suitable for large-scale farming, as well as those smaller areas in which people can be encouraged to grow the food that they need.

This report which I have is worth studying. It says that people can grow the essential foods in Newfoundland, and can grow them in greater quantity than they are doing today. A study I made a couple of years ago as to the production of potatoes and turnips in Newfoundland showed that forty years ago we were producing twice as much as we are today. Even a study of the figures in this book will illustrate that no progress has been made in the production of vegetables, beef or milk, and there is every reason for progress to be made. This study was made within the past year, and shows that there are about six suitable areas for large-scale farming operations. Principally, I want to see farming on a small scale, such as you have in the province of Quebec, encouraged. Whether or not the people are paying income taxes, they are producing food which they need, and they have a little left over that they can sell in the markets for cash, with which they can buy other things.

Handicrafts have been encouraged in Newfoundland. We have the equivalent of your women's institutes, as I believe they are called. I am not sure of the name, but they are societies for the encouragement of handicrafts. In Newfoundland there are the Jubilee Guilds. There are about 120 of these, and the people do a certain amount of knitting and weaving. From the cloth that is woven, garments are made. Fine cloth has been woven in Newfoundland. In my humble opinion, Mr. Chairman, there is no field of endeavour upon which the success or failure of confederation will be more marked than in the field of agriculture. You cannot teach us much about how to conduct our fisheries. You can give us assistance when we find difficulty in marketing our catch, just as you give assistance to the farmer in western Canada who has difficulty in marketing his products. You cannot teach our fishermen much. They are just as brave and as resourceful and as intelligent as the fishermen of the other maritime provinces. Our industries, such as pulp and paper, have the best brains available, and our mining is well conducted. In regard to agriculture, however, we must take off our hats to the Canadian people. Here is an opportunity for the federal government, and for a man like the present Minister of Agriculture, who is an experienced farmer and an experienced minister of agriculture, to put agriculture in Newfoundland in its proper relationship to the other industries.

Before I conclude, Mr. Chairman, I should like to refer once again to this industrial survey of the resources of the province of Newfoundland. It is, of course, recognized that many parts of our country are not at all suitable for agriculture. The report says:

> Nevertheless an expansion of agricultural production to supply a greater proportion of the home market should be possible. Any expansion in agriculture would materially improve the economic position of Newfoundland, reducing imports from the rest of Canada for which there are no offsetting exports.

Figures produced to me the other day show that Newfoundland exports $93 million worth of products, and it imports through its own ports, from places other than the provinces of Canada, $23 million worth of goods. This means that somewhere in the neighbourhood of $70 to $80 million is going to the other provinces of Canada, principally to buy foodstuffs, clothing, footwear and the other things we need, whereas the other provinces of Canada are only buying about $10 million worth of goods from us. So you see, there is

an imbalance there that should be corrected by the province of Newfoundland producing more of the things it needs.

The report continues:

While climatic conditions do not favour the growth of cereal grains, the possibilities of expanding truck garden production, both in the outlying communities and adjacent to the larger centres of population, seem reasonably good.

The writer of this report is not exaggerating when he says that.

If agricultural production is to expand, marketing procedures will have to be organized and adequate facilities such as storages, provided.

We suffer a great deal from the lack of storage. I do not believe there are any refrigerator cars in use in the province.

The proximity of the maritime provinces, particularly Prince Edward Island, with their established agriculture and relatively easy transport by water to the larger markets offers serious competition for local produce.

That is a matter that certainly needs investigating, but I understand the government is going to do that.

Combined with this is the geographical difficulty that the better agricultural land lies in the west, and the large market of the Avalon peninsula is in the east. Despite the difficulties, we believe an expanded and more prosperous agricultural industry can be developed. Among the main objectives should be larger farms, more modern methods of production, an educational program to promote higher fertility and greater yields, and a progressive marketing policy with adequate marketing facilities.

There is only one other thing I have to say, sir, and that is, should the officials of the Department of Agriculture make a survey of the situation in Newfoundland now, and then in three, four or five years' time make another survey, it would be possible to see what progress has been made. I shall judge them on what progress has been made during that time, and I believe other people will do the same.

Mr. Macdonnell (Greenwood): Mr. Chairman, I take it that this is the correct place to raise with the Minister of Agriculture a question which has to do with the organization of his department. I no longer speak with any authority about agricultural matters in this house, but I should like to ask the minister one or two questions about organization.

As one would expect, one finds the Department of Agriculture fully organized. To my surprise however I find there is apparently an extraordinary amount of duplication of organization as between the Department of Agriculture and the Department of Trade and Commerce. In case the minister has not noticed this, I should like to draw it to his attention and ask him to explain what, on the face of it, seems a most extraordinary duplication of effort. I have before me the government telephone directory for 1950, which I take it is accurate, and I will just read quickly the headings of the organizations of the Department of Agriculture as they appear.

First of all, there is livestock and poultry, that is in the Confederation building. Then, you have the plant products division, and from that one goes on to marketing services. There is a complete array of marketing services. Then, you turn over to the Department of Trade and Commerce, and you find what appears, on the face of it, as I said, a most extraordinary duplication. I shall just read a few instances of the various duplications and then the minister will no doubt explain to us how the duties are divided. I do not know whether one department takes one part of Canada and another takes another part of Canada, or whether one department deals with certain kinds of pigs and another department deals with another kind of pigs or how it is divided up; but at any rate, the minister will explain. I will just first of all point out the similarity in the general organization. Here we have livestock and poultry division under the Department of Agriculture; and there is quite an array there, by the way. There is sheep, cattle, swine, horses and so on. Then we turn over to the Department of Trade and Commerce and we find what they call the agricultural commodities branch, and under there we also find livestock and animal products; and going further under the Department of Agriculture we find the plant products division and we find somewhere poultry, of course. Then coming to the Department of Trade and Commerce we find the dairy and poultry products. Turning back to Agriculture we find plant products; and turning to Trade and Commerce we also find plant products there. There is an adequate array of officials in each department who, as I say, are dealing with this, and the minister will explain to us the division of duties between these parallel departments.

Then we go on and I think this is even more interesting. We go on to the marketing side of the organization and we find that the Department of Agriculture seems to be fully staffed over there in the Confederation building. It is not far away, I think, from the Department of Trade and Commerce. I think they are just next door and maybe they communicate with each other. One does not know. But under the Department of Agriculture there is first of all the marketing service with an array of officials there. We

go on further to the markets information section. No doubt that will be in the publicity line. Then we come to the consumer section, then to the agricultural economics division.

Then we come on really to the marketing proper and we find a whole series of divisions. They are very well equipped in the Department of Agriculture to do marketing. First of all there is the dairy products division in which there is an assistant director of marketing; then there is a general office, and there is a head clerk. Then we come down to dairy products grading and inspection service; and then a little later there is an array of officers there. Then we come to the marketing and merchandising service, and then there is the refrigeration service. Then we come to the fruit and vegetable division, and again there is an associate director of marketing. Coming on down there is a marketing and merchandising service. Then we come down to the livestock and livestock products division. Oh yes, there is a chief of agricultural marketing services. Then in the poultry division there is an assistant director of poultry marketing and so on. But I need not worry the committee with that. I just come now to the Department of Trade and Commerce, to show what an excellent service the Minister of Trade and Commerce has here, because he does not like to be left out of things, as we know. He gets into the transport department and all kinds of things where he has no business to be but where he likes to be; and I am amazed, I must confess, that the Minister of Agriculture apparently lets him keep on playing about in his department. But no doubt he will explain about that when the time comes. Here is the offering which the Minister of Trade and Commerce makes to us under the head of marketing. First of all, I should point out that he has an agricultural division. Before I come to that, there is an agricultural commodities branch which I have mentioned. As I pointed out a few minutes ago it has a dairy and poultry products department, livestock and animal products, plants and products. Then we go on to the economic research and development branch. That I think is more general. I observe with interest there that they have a private and public investment department. I imagine that would interest the Minister of Finance. Then we go on to their marketing services. They have all kinds of marketing services, of course. They have an export division—

Mr. Fulton: Which department is this?

Mr. Macdonnell (Greenwood): I am now in the Department of Trade and Commerce. It has excellent services. Then I come on now to what they call the agriculture division. This is the Department of Trade and Commerce still, with the heading, "agriculture division." There is a director. Then there is a crop section, special crops, livestock and animal products section, research and compilation section. Then we come on more particularly to merchandising.

Mr. Fulton: Is there an insect pests division?

Mr. Macdonnell (Greenwood): I do not find that in Trade and Commerce. That is in Agriculture. I could not find that in Trade and Commerce, but we may mention it to the Minister of Trade and Commerce and I have no doubt he would oblige us with that too.

I want to go on to this marketing to show what an excellent service there is in the Trade and Commerce department in marketing. There is a whole page of it. You come to industry and merchandising division, and that is apt to fool you because you may not think it is agriculture. But if you read carefully through it you find the second heading is animal products section. The Minister of Trade and Commerce is again helping the Minister of Agriculture with his merchandising. Then you go on through. Here and there you find references to the information services and publicity sections. That is what you would expect. Then you come to external trade division, and I think that is nearly all.

As I said, I read these two lists of services which seemed so parallel. The Department of Agriculture, when I read it, seemed quite adequate, and I was surprised to find what appeared to be so fully a duplicate of the services in the Department of Trade and Commerce. As I said a moment ago, I should like to have an explanation of that. Whether the minister wishes to give it now or later, I do not know. That is not perhaps a matter of great consequence. But on the face of it I think we have here something which needs an answer, because we were assured by the Minister of Finance that there was no duplication and no waste. It may be that the Minister of Agriculture—who, I must say, has a gift for explanations which all of us may envy even though we cannot emulate it—can explain this situation. But if he can explain it, all I can say is that he can explain anything. I should like to know about it, and I should like to give him an opportunity now or later to explain why all these officers are in these two departments which seem to be doing the same thing, how they get along and how they arrange their duties.

Mr. Gardiner: It is not nearly as difficult as it sounds when my hon. friend discusses it from the telephone book.

Mr. Macdonnell (Greenwood): First of all, I want to ask the minister this question, and I am sure he will allow me to do so. I want to ask if this is quite accurate, because I do not want it all blown away on the ground that it is inaccurate.

Mr. Gardiner: I suppose it is accurate; but people do not usually take the telephone book to explain what goes on in a department.

Mr. Macdonnell (Greenwood): I will show it to the minister if he does not know about it.

Mr. Gardiner: The fact is a very simple one. The Department of Trade and Commerce promotes trade in all products that are produced in Canada, and promotes it outside Canada. That is what trade and commerce means. They are promoting the sale of all kinds of products in other countries. Naturally they have an organization which gathers information with regard to it and distributes that information in other countries. For example, they do not sell cars. They do not sell the products of our mines, particularly. They do not sell anything of that kind, except in the case of a product like wheat which they are now selling indirectly through the wheat board. They do not sell agricultural products either. But they do look over the whole world to find markets not only for agricultural products but for every other Canadian product; and in order to be able to look over the world for that purpose, they must of course have persons who are more or less experts in discussing the strong features of any product that we have to sell. We do not duplicate their service outside Canada. We have six men in Britain whom we call cargo inspectors, who are at the ports and whose chief job is to check the products that go from Canada to Britain to find out whether the gradings which are carried out in Canada are carried right through until the product is delivered on the other side. To that extent we have some men outside Canada, but they are very few.

The Department of Trade and Commerce has staffs that promote the marketing outside Canada. On the other hand the Department of Agriculture has charge of the marketing of farm products inside Canada. We mean by that the products which are delivered to the person who purchases inside Canada.

The reason why the Department of Agriculture handled the agreements that were made with Great Britain during the war was that the products were delivered for the first time since the previous war, and I am not absolutely certain that they were delivered in any different way in the first war. Prior to the last war, in between the wars, and certainly prior to the first war, the delivery of products was made to a large extent on the other side of the ocean. Quite often we paid the freight. When the last war started Britain undertook to take delivery because she had absolute control of the shipping on the seas. She took delivery of the products at the ports here, and so the Department of Agriculture took charge of the assembling of the products, having them delivered at Montreal, collecting the payment for them at Montreal, and from there on Canada had nothing more to do with them. Immediately the products were put on the ship, even if the ship was sunk in the middle of the Atlantic, Britain paid for them; we did not. It was that change in the manner of handling products which resulted in the Department of Agriculture assembling the products, selling them for delivery in that way, and then they went from there outside and we had nothing more to do with them. That is the real division as between the Department of Trade and Commerce and the Department of Agriculture, namely, that we handle the gradings of all of the products that are purchased in so far as they are handled by Ottawa, and we handle the gradings in co-operation with the provincial governments.

Mr. Diefenbaker: How long has that division been in effect—since 1936?

Mr. Gardiner: It has been in effect for at least thirty years. It has been in effect ever since I knew anything about agriculture either provincially or federally, and it has always been in effect since I came here, which is fifteen years ago, and it was that way when I came. There is no question about that. The first dominion-provincial meeting that was held in Ottawa after I came here in 1936 had as one of its divisions an agricultural section. The whole task that was assigned to those who were gathered here was to remove any overlapping as between the dominion Department of Agriculture and the provincial departments. The general report at the end of the conference was that there was at least as little, and in most cases less overlapping in the Department of Agriculture than there was in any of the other departments. I am not talking now in the interests of the party to which I belong because that was within a few weeks after the present government took over from the Bennett government. The situation then was that there was no overlapping as between the provinces and the dominion.

Mr. Diefenbaker: I was asking about the division as between the Department of Trade and Commerce and the Department of Agriculture.

Mr. Gardiner: The division as between trade and commerce and agriculture was announced in the House of Commons by the prime minister in January, 1938.

Mr. Diefenbaker: That is the question I asked.

Mr. Gardiner: But there was nothing new about that either. It was just a recitation by the Prime Minister of what the situation had always been considered to be.

Mr. Diefenbaker: Oh, no.

Mr. Gardiner: There was a very marked difference of opinion, which bears on something that the hon. member for Greenwood just said, namely, the long controversy that went on during the period that Mr. Bennett's government was in office between the then minister of trade and commerce, the late Mr. Stevens—

Mr. Gibson: Not the late.

Mr. Gardiner: I beg your pardon; Mr. Stevens, who was then minister of trade and commerce; and it did cause considerable hilarity not only in the house but outside it. They got out a blue book which was intended to cover agriculture; they distributed it throughout Canada and throughout the world. The agricultural critic on the opposition side of the house got up in the house and held the book up to indicate that the sow which had a litter of twelve pigs nosing around her turned out to be the male member of the species rather than the sow, and it was suggested that as a result of that probably trade and commerce was taking on too much of agriculture. As my hon. friend knows, that discussion went on in the period between 1930 and 1936, but in 1938 Mr. King finally made the division very plain as between the two. One had to do with trading outside Canada; the other had to do with merchandising inside Canada.

There is one part of the discussion that no one has ever been able to change or settle in the minds of people generally. Grain has always been under trade and commerce. Ever since we had a Canada Grain Act it has been under trade and commerce. It was not always called the Canada Grain Act. It had another name for a time, but what we know today as the Canada Grain Act was passed in 1900 or 1901. It was at the time when the production of grain on the prairies became an actuality. We had a farm organization in western Canada at that time headed largely by a gentleman who later became Senator Douglas. He along with the farm organization, the grain growers and others agitated for a grain act that would regulate the grading and handling of grain.

Just prior to that time the Laurier government had been formed, and as most hon. members know, Sir Richard Cartwright had been the financial critic in the house for a considerable period of time. It was thought by most people that when a new government was set up he would probably become minister of finance. He did not become minister of finance. Sir Wilfrid took a younger man in as minister of finance in the person of Mr. Fielding and he set up a department for Sir Richard Cartwright. That department had to do with matters of trade, customs and that kind of thing. Along with many other things that were put into it this new act having to do with the control of grain was put in when enacted. I think every minister of agriculture that we have ever had in Canada since about 1910 or 1912 has thought that it should be in the Department of Agriculture, but nobody else seems to think so, and so it remains the way it is. It is still in the Department of Trade and Commerce, and it is being carried on there partly because of the fact that most of our wheat is sold outside Canada. As the years went by there was a larger and larger percentage of it that had to be sold outside Canada. So that even the matter of grading, in so far as grain is concerned, is carried on in the Department of Trade and Commerce, as a result of the organization at that time; and it has continued that way to the present. The grading of every other farm product is looked after in the Department of Agriculture.

I have here the statement to which reference was made a moment ago. Perhaps I should read it, so that if it is required as a reference it will not be necessary to look it up in the *Hansard* of 1938. The question has been asked by the hon. member for Lake Centre as to when the announcement of policy was made, or the position taken. On January 31, 1938, Mr. King said this:

> With respect to the consolidation of the department, that has been a matter of internal organization in the department, the minister managing his own department and arranging its affairs within the terms of the law.
>
> So that there may be no mistake about the line of demarcation between the functions of the two departments, may I say what my understanding of it is—and I think it is correct. The marketing of agricultural produce in so far as it relates to Canada is a matter that belongs entirely to the Department of Agriculture. There can be no doubt about that. There are in Canada provincial departments of agriculture as well as the federal department, and it is necessary for the minister so far as the federal Department of Agriculture is concerned, to have supervision over the entire work of marketing throughout all parts of Canada. As Minister of Agriculture, he is equally interested in seeing that all agricultural commodities for sale in foreign

countries are so processed, packed, classified, packaged, transported and inspected, that there can be no doubt regarding their quantity and quality when they reach the market. In other words, he has to see to the quality and acceptability of the commodities that are exported.

That, in general terms, is the division which was laid out at that time as being the actual position as relating to the Department of Agriculture. And then he went on to say this with regard to the Department of Trade and Commerce—

Mr. Diefenbaker: But that commenced in 1936.

Mr. Gardiner: Well, it was in existence long before 1936; but I shall go into that matter later.

Mr. Diefenbaker: No.

Mr. Gardiner: The actual fact is that it did exist right back through the time the Hon. W. R. Motherwell was minister of agriculture in the government of Canada. That goes back to 1921. Then there was some question of whether it existed or not during the period of five years when Mr. Bennett was at the head of the government. But it was only a matter of discussion; it was not something which had actually been acted upon. Then, when we came in, just five years after we had gone out, this was the policy which was accepted and announced in 1938, as I have indicated here.

Then Mr. King went on to say:

"Acceptability" in this sense, that the effort of the Minister of Agriculture is to ascertain the particular form and the quality and the kind of commodities most desired in the markets of the world. The jurisdiction of the Minister of Trade and Commerce begins with the matters of trade and of sale. The Minister of Trade and Commerce has to do with the business of sales, the business of trade in foreign countries. There need not necessarily be a conflict between the two. The line of margin where possible differences may arise, or at least have arisen in the past—they need not in the future if proper safeguards are observed—is with respect to the borderline I have described, where the Minister of Agriculture sees to it that products reach the old country and are there in a form for marketing that will be acceptable, and the part which the Minister of Trade and Commerce and his officials play in seeking to advertise these goods and to gain for them the widest possible sale.

That is the description of the activities of the two departments, and they have been carried on on that basis ever since. About the same time—I think it was 1936, when I took over the department—I had the estimates prepared in a manner different from what they had been prepared before. The estimates had been prepared by setting up each of the different divisions in the department upon commodities: that is, the dairy division was put by itself, the livestock division by itself, and so on, and each was listed as one item. Speaking from memory I think there were fourteen items in the estimates at that time. There are some people who advocate following that policy today, namely the policy of getting back to fewer items in the estimates. That is being discussed in places other than the House of Commons. It is a matter of judgment of course as to whether the matter can be determined successfully in committees, or whether it can even be successfully discussed there.

In any case, in 1936 we re-organized the Department of Agriculture and put it under these divisions: administration service; science service; experimental farms service; production service and marketing service. Those were the five divisions of the department, and those divisions have been maintained ever since. Under each division appears a number of items, and those headings are presumed to set out for members of the House of Commons the items under which they can get information and discuss what is really going on in the different branches of the department.

Largely as a result of our experience as we have gone along—some experiences gained during the war, and some from other sources—there have been added what we call specials. We started in with a few specials, but now the number has grown out of the general activities. The first one has to do with assistance in connection with cheese and cheese factories. We brought in an act which said that we should pay premiums on cheese under certain circumstances, and there was a special vote set up for it.

Then, we have another to provide assistance in the replacement of maple production equipment. There was a special act for that, and a special vote for it. It was expected that this last mentioned one would operate for only three or four years. However, the war came along, and it is still operating; and all payments have not yet been made under it.

The next one was the Agricultural Products Act, which was the act under which we made the agreements with Great Britain. We are still functioning in two or three of those. That is a special vote which was put in because we did not expect it would continue for all time as part of the activities of the department. When it did go out it would not interfere with the general divisions which are indicated here.

Then, item 38 in the estimates makes provision for assistance in the construction of potato warehouses under regulations to be approved by the governor in council.

Mr. Hatfield: How many have been constructed?

Mr. Gardiner: My hon. friend knows that better than I do. I think there have been three constructed in Prince Edward Island, one that is being discussed in Ontario and another discussed in Saskatchewan. I am not sure that there is any discussion at the present time in New Brunswick.

Mr. Hatfield: Are there any on the island?

Mr. Gardiner: Yes, three on the island. At least three are on the island. My officials think there are six, but I know that there are three at least.

Mr. Hatfield: You have just decided on the method of construction, have you not?

Mr. Gardiner: They are constructed; we are trying to agree on the method of paying for them. The Prairie Farm Rehabilitation Act, major irrigation and water conservation projects, the Prairie Farm Assistance Act; those are the activities and others are being carried on under the votes we are asking the house to pass. I think that is a hurried but rather complete outline of organization in this department.

I suppose strictly speaking I am not supposed to discuss a matter that is before a committee, but on the other hand I do not think the matter I am going to deal with was really before the committee yesterday at all. Another matter was before the committee and someone just said something and then I find that something set out in the *Gazette* in the centre column on the front page from the top to the bottom and running over to another page. Apparently it all grew out of a remark to which not much thought had been given.

The committee was dealing with the public accounts of my department and reference was made to the item appearing at page A31 of the Public Accounts of 1948-49 covering salaries and wages. The estimate was $475,000, and the item for allotments was $939,000, with actual expenditures of $936,000. Someone passed the remark that there was an election that year.

Mr. Macdonnell (Greenwood): Is the minister still answering me?

Mr. Gardiner: Yes, I am. The hon. member wanted to know something about the organization of this department and I am telling him. As I say, it was that a possible explanation might be that this was an election year. As a matter of fact it was not an election year, it was the year 1948-49.

Mr. Wright: It was in Saskatchewan.

Mr. Gardiner: If that is what the hon. member and his friend behind him were talking about yesterday and this evening, then when I get through I think I shall have shown them that it did not have very much to do with elections. Under that same heading the following amounts were spent in other years:

1945-46	$646,000
1946-47	767,000
1947-48	922,000

I suppose if there had been an election for a county council that year my friend would still argue that it was the election year which raised the amount. Usually when we talk about an election year down here we mean our own election year. Under this heading the amount spent before the provincial election and the amount spent in that year were within a few thousand dollars of each other. Let us look at what happened in the estimates for 1949-50, the year the federal election was held. In the explanation of the item in the back of the book, which is the place from which the other figure was taken, the amount shown is $92,446. Then the amount for 1950-51, which is the year after the election, is shown as $81,000. If you are going to follow the kind of argument that was going on the other day in the committee—

Mr. Diefenbaker: It was transferred to another account.

Mr. Wright: There was no argument about it. We were not permitted to argue.

Mr. Gardiner: You had better read the newspaper.

Mr. Wright: You had better read the record of the committee and not the newspaper.

Mr. Drew: You are leaving the hon. member for Greenwood in a state of suspense.

Mr. Gardiner: He will catch up. If you were to follow that kind of logic through it will be seen that the figure for salaries and wages has been reduced from $922,000 to $92,000. One needs only to say that to realize it would be ridiculous. That is not the position.

Mr. Wright: Mr. Chairman—

Mr. Gardiner: If the hon. member will just allow me to explain this.

Mr. Wright: On a question of privilege, the minister is making a speech about a newspaper account of what took place in the committee. There is a record of the proceedings of that committee and I suggest that the minister get that record before he starts to make comments on what took place. The minister is entirely out of order in making his present speech about something which is before a committee of this house without having the record of that committee to guide him in what he is saying.

Mr. Gardiner: As a matter of privilege—

Mr. Wright: The minister is talking about something that did not take place at all.

Mr. Macdonnell (Greenwood): May I rise on a question of privilege?

Mr. Gardiner: I am on my feet on a question of privilege and if the hon. member will wait until I am finished he can rise to his. I happen to be the Minister of Agriculture and I read that report in a newspaper of what had happened yesterday in the committee. I do not care very much about what happened in the committee, but I do care about what goes out to the public. What goes out to the public is not necessarily what happens in the committee. I heard this over the radio at ten o'clock last night, and what went out generally as what had happened in that committee was that in an election year we had spent twice as much money on salaries and wages as was actually voted.

Mr. Diefenbaker: In what department was that?

Mr. Gardiner: That was for P.F.R.A. under the Department of Agriculture.

Mr. Harkness: Are you still on a question of privilege?

Mr. Gardiner: I am up to the moment. I think it is perfectly proper when the main estimates are under discussion that I should state the position as it is, more particularly when I have been asked to explain the organization of the department, why we have these salaries, why we have these people employed, who they are and what they are. I am asking this house to vote $3 million for P.F.R.A.

Mr. Fulton: Under this item?

Mr. Gardiner: Under the item that has been discussed most of the time by hon. members who have been speaking. I am asking in the estimates for $3,750,000 for P.F.R.A. The discussion in the committee yesterday was over an item of $3 million which was voted to be expended on P.F.R.A. No other vote was passed in the house. This house voted $3 million for P.F.R.A. It did not vote any particular amount for salaries. It did not vote any particular amount for digging dugouts or pastures. In the back of the book there is an explanation of how that money has been spent, and in that explanation they say $922,000 was spent on salaries and wages in 1947-48.

When I saw that figure put into the explanation that year I said to those responsible, "That is not an explanation of what goes on in that branch, and that is not the proper amount under any heading for any expenditure made in the department." Anyone reading that would take out of it exactly what the newspapers took out of it, and what was taken out of it by others before the committee yesterday. They would assume that it represented wages paid in the ordinary sense of the term, or salaries paid to persons employed directly by the department throughout the period. As a matter of fact it covers the building of a fence around a pasture, where you go out and hire the farmers in the neighbourhood and give them the job of building the fence. Or it would cover the digging of ditches here and there. It would cover digging dugouts by people whose names could be obtained through the public accounts but who are in no sense of the term employees of the department in that they come under the civil service, nor even temporary employees. These are the people actually doing the work.

So I indicated that I thought that explanation ought to be given in some other way. The first year they reduced the amount to $475,000, but in the public accounts they showed the expenditures that were made, just as they had shown them before. The amount was not changed materially; whether it was an election year or not, it was approximately the same as the $922,000 of the preceding year, but that still did not explain to this house or to anyone else what was actually going on in that branch of the department. So this year those who made up the tables showed that the amount that should really go for salaries and wages under the proper interpretation of those terms was $92,000, not $922,000; but the remainder of the $922,000 is to be found in the other items such as pastures, dugouts and so on. All the money is spent in that way, just as it has been spent in other years, and there was no change in the estimates because of an election year either provincially or federally. There might have been an increase of $10,000 in an item; when we increased the expenditure all the way from $2 million to $3 million of course all the expenditures would be increased. When we put in the amount for the St. Mary's dam, that will also result in an expenditure, not under P.F.R.A. but under one of the special items, which will bring in many more labourers, people of whom we may have no record at all.

Just in passing, in view of what was said this afternoon by the hon. member for Medicine Hat I want to say that about an hour ago the signed copy of the agreement on the St. Mary's dam was delivered to my office, so that will answer the question of whether we have reached the point where we can sign it.

Mr. Macdonnell (Greenwood): Is the minister still on a point of privilege?

Mr. Gardiner: No. If you have a point of privilege you may raise it.

Mr. Macdonnell (Greenwood): If not I would like to raise a point of privilege.

Mr. Gardiner: Go ahead.

Mr. Macdonnell (Greenwood): We have only another hour, and I wonder if the minister is going to come back and answer my question?

Mr. Gardiner: I answered your question quite a long time ago, but four or five other hon. members have been asking questions and I think I have a perfect right to answer them.

Mr. Wylie: On a question of privilege, since the Minister of Agriculture is speaking on a question of privilege and since he has brought my name into it, may I ask if the agreement has been signed by both the Alberta government and the dominion government?

Mr. Gardiner: Since I came into the house this evening it has been reported to me here at the table that it was delivered at my office in the Confederation building just about the time I was coming into the chamber, so I have not had an opportunity to sign it. I can tell my hon. friend that the agreement was sent down to us from Edmonton some little time ago. They said they were not going to sign it because they presumed we would want to rewrite some of the clauses. We rewrote some of the clauses and sent it back. Now they have returned it to us, and I presume they have signed it as we rewrote it. I will read it in the morning, and as soon as I am satisfied that the clauses are the same and that the agreement is as we understood it some little time ago, I have authority from the government to sign the contract, so I hope it will be signed tomorrow.

I wanted to say these few things at this stage because I may not have an opportunity to do so later on. The discussion on this first item of my estimates usually goes on for hours, if not days, but when we get past it we sometimes go along fairly rapidly. I do not want to block my own estimates by stopping if we once get started, so I thought I had better get this in while we were still talking.

Mr. Macdonnell (Greenwood): My question is not answered even yet. Surely I have a right to an answer.

Mr. Wright: The minister has given an explanation of item 39 in these estimates, which has to do with prairie farm rehabilitation and is for $3,750,000. I would suggest that if the minister does not want a recurrence of what happened in the committee he should have that item changed to read something like the items on marketing services, production services or experimental farms. Those items are broken down, and the house is given some idea of what the money is being spent for. If that had been done I do not believe any difficulty would have arisen with respect to this matter.

While I am on my feet I want to say a word about the earlier statement of the minister as to the division of authority between the Department of Agriculture and the Department of Trade and Commerce in regard to the marketing of agricultural products. Last year we passed the Agricultural Products Marketing Act, which in effect gives to boards set up under provincial marketing legislation the power in interprovincial and export trade that those boards have in the marketing of those particular agricultural products within the province. Immediately those boards start to export, however, they will come under the regulations of the Department of Trade and Commerce, which may be quite different from those of the Department of Agriculture. It seems to me that we are going to run into difficulties in the marketing of agricultural products in that the regulations set up by the Department of Agriculture concerning marketing in Canada may not be the same as those of the Department of Trade and Commerce with respect to export trade. I wonder if the minister would comment on that?

Mr. Gardiner: Under the natural products marketing act of Saskatchewan, which is similar to the legislation in British Columbia and elsewhere, they have authority to set up a board and to say that all of that product delivered to the market must be delivered to the order of that board. When the board gets the product it is in exactly the same position as the Ford Motor Company or anyone else. They have the product, and they want to sell it. The Department of Trade and Commerce does not make regulations telling them how they are going to sell it. The Department of Trade and Commerce simply does for them what they do for everybody else. They try to find a market for that particular product, and inform them that it can be sold in a certain market at a certain price.

In so far as the Department of Agriculture is concerned we have said, under the act that was passed in 1949, that we will see that any board which is marketing farm products outside the province has the same rights and opportunity to do so, and all the safeguards, that are present in connection

with interprovincial marketing or international marketing. They will not be denied any of those things, so long as they do not overstep the provisions of the provincial law. We have undertaken to do that, but that does not interfere with the marketing of goods outside.

Mr. Wright: I was speaking particularly of the Department of Trade and Commerce, which sets up the grades for wheat that goes into the export trade. There are certain regulations and certain standards for the marketing of pork or dairy products within Canada. Conceivably the Department of Trade and Commerce could set different standards for the marketing of those products outside Canada, so there might easily be a conflict between the grades to be marketed within Canada and those to be marketed outside Canada.

Mr. Gardiner: No; the Department of Trade and Commerce has no grading system for any farm product except grain, and that is handled under the Canada Grain Act. All the other farm products are graded under systems set up with the Department of Agriculture, co-operating with the provincial departments. For example we had a grading system for butter in Alberta and Saskatchewan long before there was a grading system set up on the same basis in Ontario. We had different regulations governing trading between Manitoba and some of the other provinces for a considerable time. Eventually we succeeded in getting all provinces to co-operate with the federal government in having those different products graded according to the same standards. Where it is required that our officials do the grading for a province, the province appoints our man as their grader, and he does the grading for them. Where we require a provincial man to do the grading, we appoint him as our grader, and he does the job for us. The grades are the same right through the picture.

As I said a moment ago, we have six cargo men over in Britain. When a cargo comes in they take samples of the products that are sent over to see whether or not the grades have been maintained, but the remainder of the work in connection with it is done by the Department of Trade and Commerce.

Mr. Hatfield: I should like to point out to the minister that the potato growers of the maritime provinces have been disregarded in regard to the prices support act which was put into effect in 1944. At that time the minister stated the act would apply to all agricultural products except wheat, and would prevent them from going below the cost of production. In 1946 a program was put into effect in New Brunswick which bolstered the price, and in 1948 the growers of potatoes were given support in the provinces of New Brunswick and Prince Edward Island. During the crop year of 1949-50 potatoes have been selling most of the time, at any rate since the first of the year, below the cost of production. The minister and the chairman of the agricultural prices support board have disregarded any request for relief under this support act.

Not more than two weeks ago the minister of agriculture in the province of New Brunswick telephoned the deputy minister of agriculture in Ottawa, and suggested that some support program be put into effect covering potatoes. It was felt it would only cost the department about $100,000 to stabilize the price of potatoes and to bring them up above the cost of production. This request was turned down. I wrote to Dr. A. M. Shaw, chairman of the agricultural prices support board, on May 5 as follows:

> I wish to call your board's attention to the fact that potatoes are now selling way below cost of production and it does not seem that your board is paying any attention to the terms of the Agricultural Prices Support Act of 1944, which was put into effect to keep the price of agricultural products above cost of production, and I wish to point out that your board has disregarded the greatest agricultural food product grown which is the potato.
>
> I further wish to point out that with an expenditure of $100,000 by your board, you could stabilize the price of potatoes on the Canadian market overnight. All you would have to do is put into effect a starch program for the balance of the season and the three factories, two in New Brunswick and one in Prince Edward Island, could not possibly use more than 100,000 barrels, and if you would guarantee the subsidy of $1 per barrel over the price that is being paid for starch potatoes in these two provinces it would have the effect of stabilizing the market throughout Canada for the balance of the season.
>
> This action would have to be taken quickly and, with three inspectors, the factories I believe would co-operate with you under this scheme. You could buy the potatoes under the same plan as you used for the 1946-47 crop; therefore, with little cost, your board could be a great aid to 3,000 or 4,000 cars of potatoes now left in the provinces of New Brunswick and Prince Edward Island.

I also wrote to the minister on May 6, but I never received a reply from him. Dr. Shaw did reply to my letter on May 9, and here is what he says in the third paragraph of the letter:

> As you know, it is not unusual, except in years of short supply, for the potato growers to have some wastage at the end of the season.

He intends to say that it is not unusual for potatoes to be dumped at the end of the season. The Agricultural Prices Support Act went through parliament in 1944. At the time the minister was piloting the act through the house, he said that no agricultural products would be dumped as long as he was

Minister of Agriculture. I say to him that potatoes were dumped last year, and potatoes will be dumped in the maritime provinces this year unless some support is given to the price. The idea of the chairman of the agricultural prices support board saying that we always dump potatoes in surplus years, when we have an act which the minister said was to stop the price of agricultural products falling below the cost of production! He was referring to all agricultural products, except wheat, and that includes potatoes.

On page 5622 of *Hansard* for July 29, 1944, we find that when the act was going through the house I asked the minister about this, and he said:

> It is intended to cover all agricultural products, except wheat.
>
> Mr. Martin: Including corn?
>
> Mr. Gardiner: Yes, including corn. "Agricultural products" means any product of agriculture, except wheat, designated by the governor in council, and includes processed meat, dairy and poultry products if so designated.

He stated, on a dozen different occasions when asked, that that included all agricultural products. Potatoes were the first agricultural product that he helped under this act in 1946. Although they have been selling in New Brunswick and Prince Edward Island for three or four months now below the cost of production, not a thing has been done by the department, although the department of agriculture in Prince Edward Island and the department of agriculture in New Brunswick have requested that something be done by the agricultural prices support board. I would hope that it is not too late for them still to try to stabilize the market for the rest of the season. Otherwise in my opinion, two or three thousand cars of potatoes are going to be dumped. The growers in Madawaska, Victoria, Carleton and York counties have potatoes they are trying to sell and they are taking today less than the cost of production for those potatoes in spite of the fact that the Agricultural Prices Support Act of 1944 is supposed to support the price above the cost of production. When this act was going through the house in 1944 the minister said that neither potatoes nor any other agricultural product would be dumped while he was Minister of Agriculture and while this act was in effect. He answered the hon. member for Lethbridge on that occasion, as reported at page 5624 of *Hansard*, as follows:

> Mr. Blackmore: What we are concerned about is that the time may come when the board may force the farmer to take less than the cost of production.
>
> Mr. Gardiner: I would hope that that time will not come and I do not think it is likely to under this bill.

I request now that the Minister of Agriculture take some immediate action to help the potato growers who still have potatoes on hand and to stop the sale below the cost of production. A number of meetings have been held in my constituency. The Minister of Agriculture has come out and asked a lawyer down in my constituency to take over the organization of potato growers. I had a joint meeting with this Mr. Duffie a week ago tonight and he stated that the Minister of Agriculture felt that the Agricultural Products Co-operative Marketing Act of 1939 was the solution to all our problems, although Mr. Gardiner told the delegation that he never stated that to Mr. Duffie. I should like to ask him what he did state to Mr. Duffie, because Mr. Duffie is under the impression that the Agricultural Products Co-operative Marketing Act of 1939 is the solution to all our troubles. He read a letter from the Minister of Agriculture at that meeting the other night that stated that he would be glad to turn over to an organization the handling of potatoes.

I should like to ask the minister if he agrees with the letter of Dr. Shaw, the chairman of the board, that it is not an unusual thing for us to dump potatoes in a surplus year, something which this act of 1944 was supposed to remedy.

I wish to say something more about the Department of Agriculture. It is about the experimental farm. When I came to parliament in 1940 the estimates for the central experimental farm amounted to $400,000; that is for the central experimental farm. Today the estimates before us amount to $1,800,000. I was out there to look around. All I saw was a lot of pegs driven into the ground. I do not know how they spend $1,800,000, or $1,400,000 more than they spent ten years ago. They have only about 300 acres more land than they had in 1940. What in the world they are doing with the money, I do not know. They are even buying a separate threshing machine now for every plot of grain they have growing out there so that they thresh it separately.

It is amusing to go out there and look around that farm. What the farmers get from it, I do not know. We in the maritime provinces do not get any help from it. We get some help from our provincial farms or rather from the federal farms located in the provinces; that is, the branch farms. We get some help from them, but we do not get any help from this central experimental farm. It is a nice place out there. It is a nice park and flower garden for Ottawa; but I do not think the farmers get much good from it. I think the provincial farms owned by the federal government are of some good; they are located in the different zones in the different provinces, carrying on research work in different things grown in these provinces.

I should like to ask the minister this question. It was reported in the fall of 1944 that he asked the provinces to take over the support of agricultural products in different sections of Canada. I believe in that move. I should like to ask him to answer whether he did consult the provinces. I understand that he did. The provinces of New Brunswick and Prince Edward Island turned him down. I think they made a great mistake in turning him down. I should like to know whether that is correct or not. I hope that at this late hour he will take some interest in the potato growers in the maritime provinces. The potato industry in the maritime provinces is practically the only industry the farmer has as a cash crop. It means everything to him. When the tariff is revised between the United States and Canada, I hope we get some reduction of duty. We pay 75 cents a hundred going into the United States. They pay nothing coming into Canada except from June 15 to July 31. I think the duty in the United States should be lowered. I think we should have an ad valorem duty on potatoes. I cannot understand why two men would sit down across the table on tariffs and one would say, "You can go into our country with a certain commodity free"; and the United States representative says, "We are going to tax you 75 cents a hundred." It does not make common sense to me. I do not know why you would make an arrangement like that.

Mr. Gardiner: I wish to answer one or two direct questions. The last one that I was asked was as to whether at some time—I think in 1944 or around that time—I had suggested to the provinces that they should take over the marketing of potatoes, I suppose among other products. The facts are, in addition to that, that in 1938—which goes back further than 1944—the farm federation came to Ottawa and called to our attention the type of legislation in force in British Columbia. It was known as the natural products marketing act. It provided for the setting up of boards to market the products of that province, and particularly farm products. Prior to that they had taken the legislation to the privy council and had it declared intra vires. In their discussions they had concluded that they knew a kind of legislation which would be intra vires if it were passed here in order to supplement the proposal. We said at that time that we did not think that one province having acted was sufficient to warrant the dominion government passing complementary legislation.

The federation went back to the other provinces and asked them to pass similar legislation. My memory is that they succeeded in getting about six provinces to pass similar legislation within a year, or a year and a half's time. If that is what my hon. friend means by asking, did I suggest at any time that the provinces ought to do this, then I say we suggested, when they came and told us that one province had already done so, that if they desired the federal government to bring in complementary legislation there should be considerably more than one province acting upon it before they came and asked us to do it. As I say, when they did come back the next time they had five or six provinces that had passed the legislation. But it happened to be within a few weeks after the war had started in 1939, and we said to them that we were going to set up government boards to handle the products during the war. We told them that we were going to operate them under the War Measures Act, and therefore we expected that so long as we had a War Measures Act, or some legislation which succeeded it, any boards which did operate would be federal government boards. The farm organization accepted that position and said they agreed that under the circumstances that is what ought to be done and that is what was done, and so we handled the different products. The dairy products boards handled the dairy products; the meat board handled the meat products; and we had a special products board which handled the other products. Those boards operated right through the period of the war, and down to a period after the war; in fact some of them are operating yet.

The federation did not come back until the war was over. In 1946 they did come back and they asked the federal government to pass this complementary legislation. We said that we were still operating under our own boards; and we refused to bring the legislation before the house in spite of the fact that the opposition was urging us to do so from time to time until 1949. In 1949 we brought the legislation before the house. That legislation provided that we would assist the boards that had been set up provincially by making it possible for them to apply outside the province the same principles as they were applying inside. That legislation is now on the statute books; and to the extent that I suggested that, it can be said that I more or less promoted the idea. But I must say that at no time did the government here during that period advocate that this ought to be done. We simply said that if the federation went out and succeeded in getting a considerable number of the provinces to take that action we would consider the matter. We did consider it, brought it here, and it was passed.

Mr. Hatfield: I was asking about the support act.

Mr. Gardiner: The support act itself which came up in 1944 has nothing whatsoever to do with that matter.

Mr. Hatfield: Did you not ask the provinces to take over the support act; and did you not say that you would furnish the money if they would administer it?

Mr. Gardiner: No, I did not go that far. If my hon. friend will listen I will give him the whole story.

Mr. Hatfield: I think you did.

Mr. Gardiner: The position is, my hon. friend came to my office and advocated that, as he said a moment ago but I did not.

Mr. Hatfield: You advocated it.

Mr. Gardiner: I did not say that to the provinces. The position taken in 1944—and I think my hon. friend will find the wording that I used is correct—is this. We did bring down legislation in 1944 which we intimated would probably be required to deal with staple products as we were getting out from under the organizations that had been set up under these boards, and the agreements that had been entered into by them, and that it would probably be necessary for us to stabilize prices over a period, and stabilize them at a level which would maintain the relationship between the farmers generally and those who were supplying them with commodities, to maintain a price level as between them which would be as satisfactory as the conditions had been in the last few years of the war.

Mr. Hatfield: Above cost of production.

Mr. Gardiner: You made your speech; let me make mine.

Mr. Hatfield: You said that in your speech in 1944.

Mr. Gardiner: In 1944 the position taken was as I stated. If my hon. friend will go back and get the 1944 *Hansard* he will find that the one product we left doubt about was potatoes.

Mr. Hatfield: No.

Mr. Gardiner: We will get at that some other time when we are on the item that has to do with potatoes. The position taken at that time—and I made it very clear to the house—was that if you put a floor price under potatoes which was as high as we were being asked to put under them by the provinces of New Brunswick and Prince Edward Island we would have so many potatoes produced in this country that we would be in the position in which the Americans finally got by doing a similar thing. The position in regard to the sale of potatoes would then be very difficult particularly in view of the fact that two of the provinces of Canada depend absolutely upon the selling of potatoes, or a very considerable number of the farmers depend absolutely upon the sale of their potatoes in order to live at all. We in other parts of Canada are living fairly well without selling potatoes, particularly outside Canada.

I said it would be a mistake for us to set a price level for potatoes which would induce people right across Canada to produce potatoes. If we did that then we would be in trouble.

Mr. Hatfield: You did not say that in 1944.

Mr. Gardiner: That is the position that has been taken consistently all the way through from 1944 until now.

In marketing the 1948 crop we got into the position in February, I believe, of 1949, where we were being approached almost daily by those who were interested in the marketing of potatoes from New Brunswick and Prince Edward Island. Finally the agricultural prices support board entered into an arrangement whereby they would agree that any potatoes which were graded and in bins on a certain date would be taken over by the federal government at a certain price, I believe $1.15.

Mr. Hatfield: After the United States asked you to put on embargoes.

Mr. Gardiner: There are a lot of things that I cannot take up in the few minutes I have left. That story can be told pretty well when we come to the item itself in the estimates. But we said at that time that we would take them over. We finally did get just approximately what my friend says they may have to dump this year, and we paid $1,600,000 for them. That is a pretty high price to pay for what was obtained, and even for the results that were obtained.

Coming to this year, a little before January we were asked to do the same thing again. At that time I said to them that we thought they should go ahead and market their potatoes. We thought that if we took any such action as has been suggested again we would be in difficulties with the United States, which today finds itself with such an enormous supply of potatoes on hand that it is offering them at a cent a bag, and with that condition existing we could not afford to jeopardize the United States market for Canadian potatoes. And I must say that the Americans were buying potatoes, and are still buying potatoes. They were buying potatoes in

greater quantities than they bought them last year. We said we were not going to take a chance on spoiling any market we had in the United States by starting to subsidize potatoes on this side of the line in order to make it possible for people to ship them into the United States.

Mr. Hatfield: They do subsidize.

Mr. Gardiner: We have carried on under that plan up to the present time. We never have yet said to the people of New Brunswick or Prince Edward Island that we will not do anything whatsoever in order to assist them with the marketing of their potato crop this year. We never have said that at any time up to now. We have however kept ourselves in a position where we can take that position if we find it advisable to do so.

Now, what is the present position with regard to potatoes? In 1948, we marketed 17,159 cars. From the 1949 crop we marketed 22,885 cars, or we have marketed more than 5,000 more cars this year than last year.

Mr. Hatfield: You embargoed them last year?

Mr. Gardiner: Yes, I know, and we did not embargo them this year, and this year we sold them. Potatoes were sold into the market in the United States, and they are still being sold. As my hon. friend says, there might be some potatoes left over at the end of the season. No one knows that there are going to be. We have said, "Go ahead and sell them."

In so far as the stabilization of prices is concerned, on January 3, they had the highest price of this year, which was $1.35 basis Montreal.

Mr. Hatfield: You hope—

Mr. Gardiner: Now, you can read this all tomorrow and you will understand it better than if you try to talk at the same time as I am talking. On January 3 was the highest price of $1.35. The lowest price that has been obtained was $1.15 on February 7. And that happens to be exactly the price that we paid for 100 pounds of the surplus last year at the farm. We paid $1.15 last year for 100 pounds and the price has not been lower than $1.15 on the Montreal market for 75 pounds this year.

Mr. Hatfield: This year?

Mr. Gardiner: Yes, for a 75-pound bag this year.

Mr. Hatfield: Your support price was $1.15. That is what you are talking about?

Mr. Gardiner: I am not talking about that.

[Mr. Gardiner.]

Mr. Hatfield: I know, but your support price last year—

Mr. Gardiner: The price on May 10 was $1.20 to $1.25. The highest price was $1.35, and the lowest, $1.15. I can hardly conceive of a product such as potatoes being more completely stabilized than apparently this product has been during that period of time. Whether it has been stabilized high enough might be another question. That is a question which can still be considered. No one has said here that we will not consider it.

But my learned friend makes the proposal that we should help out his starch company, and by doing what?

Mr. Hatfield: No, no.

Mr. Gardiner: By having these potatoes delivered at half the price which is being obtained for them on the market.

Mr. Hatfield: No, no.

Mr. Gardiner: Well, that is the suggestion, that we pay dollar for dollar, and put the potatoes into the starch plant. It would not all be in my hon. friend's starch plant, but it would be in somebody's starch plant.

Mr. Hatfield: On a point of privilege, the suggestion was made by the provincial government of New Brunswick that we pay 50 cents a barrel and the federal government pay a subsidy of one dollar a barrel. Fifty cents a barrel for starch potatoes today would not give the starch manufacturer one cent.

Mr. Gardiner: Well, that is even worse than I thought it was. We are going to be asked to pay $2 for every one they pay. But in any case the suggestion is that we get rid of these extra 2,000 cars by putting them through starch plants, and that we subsidize the putting of them through the starch plants.

Mr. Hatfield: No.

Mr. Gardiner: Well, that is the way I understand it; and I do not know how you can make starch from potatoes without putting them through a starch plant.

Mr. Hatfield: It was only the effect of having them on the market.

Mr. Gardiner: In any case, that is the position in regard to potatoes. We have sold 5,000 more cars of potatoes—at least, they have been sold; I should not say we sold them, because I would imagine my hon. friend sold as many as anybody else. There are five or six exporters of potatoes in New Brunswick, and they are very successful agents in marketing their product.

The only thing I have suggested is that a probable solution for their problem down there is for those five or six men to have

themselves appointed a board by the provincial government, and then starting in and marketing those potatoes in the interests of all the producers, rather than just in the interest of the agent who happens to be marketing them. If any suggestion has been made, then it has been that one. As a matter of fact that is the plan that was followed in Ontario under my hon. friend's leader, while he was premier of that province, in connection with the marketing of beans.

Mr. Hatfield: There are 200 licensed shippers in New Brunswick.

Mr. Gardiner: But those 200 licensed shippers do just as a lot of shippers do elsewhere—they operate through a few exporters. Those exporters have done a very successful business down in that part of the country. As a result of doing that successful business they have very large plants to put the potatoes through.

I think that in connection with all these matters we should do just what we did last year in winding up our activities in connection with apples. The apple growers came to us at the beginning of the season and they said, "We want you to make an agreement with us, just the same as you did during the war. We want an agreement whereby you will guarantee a return through assisting us to export or put them in cans, dehydrate them, and eventually wind up the season so that we will have a certain amount of return for our producers."

Well, eventually we said to them that we thought the time had come when, so far as possible, we should get out of those transactions. The apple growers are very well organized in at least two areas, namely, Nova Scotia and British Columbia, and they market their apples through their own organization. We said, "Go ahead and see what kind of job you can do of it." Well, the British Columbia board marketed apples in thirty-two states in the United States, in spite of the fact that the Americans had one of the biggest apple crops they had ever grown. The British Columbia people went to the United States and merchandised their apples over there. They had them packed properly before they were shipped. Their apples were put on the market right alongside American apples, and under those conditions they sold in thirty-two states of the union.

Then, having done that, they found they could not sell all of their apples of certain varieties, and they gave those apples to Great Britain. My understanding is that the British government, in turn, did not sell them, but that they distributed at least a large part, if not all of them, to school children. That is they had been received as gifts, and those apples were distributed more or less by way of gifts to the children in Great Britain. In any case the British Columbia people did not get any return from them. I believe it cost them about twenty-five cents to have them packed and placed on the ships; and the British paid the freight across the ocean.

Those apples were delivered in Great Britain. I might say that Nova Scotia marketed its apples just about as well as they have ever been marketed. Then, after they got through with those transactions, they came back and said, "This is our position." We checked the position with other apple producers in Canada, and did give a final payment to them indicating to them that from now on we expected them to go on and market their own product from year to year.

Mr. Hatfield: There was a by-election.

Mr. Gardiner: There was not any by-election at the time. That was done when there was no by-election in sight. I cannot understand my hon. friend knowing the effect that could have if that were to go down to the constituency where his own candidate is running. He is the solicitor for this organization and sat in this house for a short time. When I put the question to him across the floor of the house whether there was any politics in connection with the handling of apples in the Annapolis valley, as every hon. member who was in the house then knows, his answer was that there had not been. If the story goes down from the opposition in this house that there was politics in the handling of apples in the Annapolis valley during the ten-year period in which assistance has been given from Ottawa I venture to say it will get us more votes than anything else we could do. I suggest to my hon. friend that he go right on doing that if he wishes to help us politically.

The people in the Annapolis valley know what assistance they got. They know why they got it. They know how they got it. They got all the assistance they did through their own organization. When the hon. member for Winnipeg North Centre chips in I would remind him that he is becoming more and more a Tory every day. Every time someone in the official opposition wants to interfere with anything that is being said over here the hon. member gives them a little help and boosts them along.

Mr. Knowles: Maybe they need it.

Mr. Gardiner: I would like to suggest to the hon. member that the board they have in Nova Scotia—

Mr. Hatfield: What are you doing for Nova Scotia potatoes?

Mr. Gardiner: The position in Nova Scotia as well as in British Columbia is that they have commodity boards of the type that has always been advocated by my hon. friend's party. I challenge him to say that they have not. Their party has always advocated commodity boards. They have always said that boards such as they have in British Columbia are the kind of organization that should be set up to market farm products. There is one of those boards in Nova Scotia marketing farm products. That board was organized by the growers and it is operated by the growers and they sell their apples in the interests of the producers. They are not playing politics with anyone.

Mr. Coldwell: The minister has been quoting figures that have been paid for potatoes. I happen to have on my desk a letter dated May 2 from a young veteran who went into the potato business at the close of the war. This man tells me that the price to the producer today, that would be on May 2, for No. 1 table stock was 40 cents per bushel and 67 cents per 100 pound sack.

An hon. Member: Where?

Mr. Coldwell: That is at a place called O'Leary Station in Prince Edward Island. He goes on to state that the floor price last year was 69 cents per bushel and $1.14 per 100 pound sack. The minister gave the price for a 75 pound bag, which would be at Montreal. That would mean that this young man would get 51 cents for a 75 pound sack. I agree with the minister that probably the solution is a commodity board, but these young fellows have invested their war savings in potato growing and they have their cellars full of potatoes and the prices are ruinous as far as they are concerned. I shall not go into the other side of the matter but I do intend to raise something else when the proper item is before us.

Mr. Gardiner: We have got away from potatoes, but only to say that what can be done in the case of apples can be done in the case of potatoes. No one can say at this moment that the door is closed in connection with the handling of potatoes. We are going to deal with potatoes at the end of the picture when we know what the situation is and what has been done. The hon. member has just raised the question of potatoes selling at a certain price. You have to consider the average price to the grower. You cannot talk about what happens at the end of the season when you are always dumping some potatoes as though the price received represented the return.

Mr. Coldwell: They were not able to sell them before.

Mr. Gardiner: They say that, but people who have been talking to me say that there has been proper distribution. The records show that to the producers from August to January in 1948-49 the average price for potatoes was 99 cents per 100 pounds. In the same period in 1949-50 the average price was 98 cents per 100 pounds. In other words, there has been a difference of only one cent in the two seasons. We did give some support in the one season, while in the other season we have not given any support. The farmers were paid more money for their potatoes partly because they had more to sell.

Mr. Coldwell: Not the small grower.

Mr. Gardiner: We can discuss that at some other time.

Mr. Coldwell: The large grower who is also a dealer can sell his potatoes first.

Mr. Gardiner: That brings us back to what my hon. friend mentioned a moment ago. Every time these potato growers have come asking for assistance I have told them that it can best be done by means of an organization in their own area. After the point is reached where the producer does not get the average price, where he gets only the minimum price, it is not fair to say that is the price. We are absolutely opposed to that kind of policy being followed. The average price for the year has been 98 cents, and it was 99 cents last year.

Mr. Charlton: Where is that?

Mr. Gardiner: That is the price to the grower, as I said at the beginning of my remarks. If my hon. friend had been listening he would have known that. I am sorry if the hon. member in front of him was talking so much that I can understand my hon. friend not hearing me.

Mr. Charlton: Would that be at the farm?

Mr. Gardiner: To the grower at the farm. That is the price the grower got for his potatoes. I suppose he would deliver them at the village or in town or probably at the railroad station, but in any case that is his price.

Item stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Gardiner: Monday will be private members' day.

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

HOUSE OF COMMONS

Monday, May 22, 1950

The house met at three o'clock.

AGRICULTURE AND COLONIZATION

CHANGE IN PERSONNEL OF STANDING COMMITTEE

Mr. W. G. Weir (Portage-Neepawa) moved:

That the name of Mr. Argue be substituted for that of Mr. Herridge on the standing committee on agriculture and colonization.

Motion agreed to.

INCURABLES

REFERENCE TO PETITION REQUESTING ASSISTANCE BY WAY OF PENSION

Mr. E. G. Hansell (Macleod): Mr. Speaker, I hold in my hand a petition signed by over twenty thousand incurables, who are asking for assistance by way of pension. It was the intention to have this presented to parliament in the regular way, but on looking over the wording of the petition I doubt whether it is strictly in order. I am therefore advising the Canadian Association of Incurables and the Shut-in Friends' Association to present the petition directly to the government.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

FEED GRAINS—SALES BY WHEAT BOARD

Mr. Diefenbaker:

1. How many bushels of (a) feed oats; (b) feed barley, were sold by the wheat board to feed merchants, dealers or brokerage houses in each of the months beginning in December, 1949, and to date?
2. What was the average price received for each of said grains in each of said months?

Mr. McIlraith:

1. It is not the policy of the Canadian wheat board to divulge its sales position within the crop year in which it is operating.

2. See answer to No. 1.

ESTABLISHMENT OF NATIONAL PARK AT BLOMIDON, N. S.

Mr. Stanfield:

1. Have representations been made to the federal government in connection with establishing a national park at Blomidon, Kings county, Nova Scotia?
2. Has the provincial government at Halifax made any such representations, and has it offered to acquire land for the purpose?
3. Has any survey been made of the presumed park site?
4. If so, when will the work be started?

Mr. Prudham:

1. Yes.

2. The provincial government has made representations. Since no area has been selected, the offer of land has not been a consideration.

3. Reconnaissance of the general area has been made jointly by a representative of the federal government and a provincial government officer.

4. See answer to No. 3.

CURRIE BARRACKS, CALGARY—TENDERS FOR CONSTRUCTION WORK

Mr. Smith (Calgary West):

1. What persons or corporations tendered on the construction of a 250-man barrack block at Currie barracks this year?
2. What were the amounts of such tenders?
3. When, to whom, and at what amount was the construction contract granted?
4. At what date were the marked cheques submitted with the tenders returned to each of those tendering?

Mr. McIlraith:

1. (a) Bennett and White (Calgary) Ltd., 1120 9th ave. W., Calgary, Alta.

(b) Bird Construction Co. Ltd., 1427 19th ave. E., Calgary, Alta.

(c) Shoquist Construction (Western) Ltd., 1826 10th ave. W., Calgary, Alta.

(d) Poole Construction Co. Ltd., 2402 2A street, S.E., Calgary, Alta.

2. Tenderer (a): First alternative tender, $515,236; Second alternative tender, $501,236.

Tenderer (b): First alternative tender, $533,000; Second alternative tender, $499,200.

Tenderer (c): First alternative tender, $552,340; No alternative price.

Tenderer (d): First alternative tender, $556,648; Second alternative tender, $539,338.

3. Contract not awarded as yet.

4. Tenderer (a): May 12, 1950; Tenderer (b): Being retained; Tenderer (c): April 20, 1950; Tenderer (d): April 20, 1950.

IMPORTS OF COAL

Mr. Hansell:

1. How many tons of coal were imported into Canada during 1949?
2. From what countries was this coal imported?
3. What tonnage was imported from each of these countries?

Mr. McIlraith:

United Kingdom, 331,457 tons; Union of South Africa, 17 tons; United States, 21,863,736 tons; Total, 22,195,210 tons.

UNEMPLOYMENT—ALBERTA

Mr. Hansell:

How many registered unemployed were there as at May 1, 1950, in the districts covered by Edmonton, Calgary, Lethbridge, Drumheller and Blairmore?

Mr. Mitchell: The number of persons registered with the national employment service at May 4, 1950, in the local office areas named is as follows: Edmonton, 5,598; Calgary, 4,088; Lethbridge, 890; Drumheller, 326; Blairmore, 204.

CIVIC HOLIDAY—WINNIPEG POST OFFICE

Mr. Knowles:

1. Has consideration been given to the matter of compensating employees of the Winnipeg post office who were not given civic holiday as a holiday with pay in August, 1949?
2. If so, what is the result of such consideration?
3. Will such compensation be paid?

Mr. Fournier (Hull):

1. Yes.

2 and 3. Under the regulations then in force no compensation may properly be given.

QUESTIONS PASSED AS ORDERS FOR RETURNS

WHEAT—EXPORTS UNDER INTERNATIONAL AGREEMENT

Mr. Argue:

1. How many bushels of wheat were purchased by each importing country under the international wheat agreement from August 1, 1949, to May 1, 1950, or to the most recent date for which information is available?
2. What quantity was imported from Canada by each country, during the same period in (a) 1949-50 crop year; (b) 1948-49 crop year?

Mr. McIlraith: Return tabled.

SALE OF TIMBER LANDS OR LEASES

Mr. Hodgson:

1. How many timber lands or leases were sold by the dominion government in each of the years 1947, 1948 and 1949?
2. To whom, and at what price?
3. How much other lands were sold by the dominion government in each of the years 1948 and 1949?
4. To whom, and at what price?
5. Were these sales by competition?
6. Were they advertised?

PUBLIC DEBT

Mr. Dube:

What was the public debt of each province of Canada, except Newfoundland, at the end of (a) the year 1935; (b) the year 1949?

Mr. McIlraith: Return tabled.

[Mr. Hansell.]

GRAIN ELEVATORS

Mr. Low:

1. How many federal government grain elevators are there in Canada, and what is the location of each?
2. Which of these elevators are being operated by the government, and which are being operated under lease to private companies?
3. How many permanent employees are there in each of these elevators, and what is the yearly salary of each?
4. What was the total bushelage of grain handled by each of these elevators for each of the calendar years 1945, 1946, 1947, 1948, 1949?
5. What volume of grain was cleaned and/or conditioned in each elevator for each of the past five years?
6. How much feed was ground in each elevator during each of the past five years?
7. Which of the government elevators took in sufficient revenues to pay operating costs in each of the past five years?
8. How many hours per day does each government elevator remain open for business?
9. Is it possible for farmers and stockmen in the vicinity of any government elevator to buy wheat screenings directly from that elevator?
10. If not, how are such wheat screenings disposed of?

OFFENCES UNDER FEDERAL STATUTES—PROSECUTIONS AND CONVICTIONS IN NEWFOUNDLAND

Mr. Browne (St. John's West):

1. Have there been any convictions in Newfoundland since April 1, 1949, for offences under federal statutes?
2. If so, under what statutes were the prosecutions taken, how many convictions have been recorded, and what punishment was enforced in each case?

FLOOD CONDITIONS—MANITOBA

Mr. Blackmore:

1. What sections of Manitoba were flooded by the Red river in 1948?
2. What was the estimated dollar cost of the flood damage of 1948?
3. Did the federal government aid in rehabilitating flooded areas of the Red river valley after the 1948 flood?
4. If so, how much did the federal government contribute in tendering such aid?

GASPE COUNTY, QUEBEC, RETURNING OFFICER

Mr. Balcer:

1. In what year was C. E. Thibault appointed returning officer for the county of Gaspe?
2. On what date was he removed from office, and for what reasons?

Mr. Bradley: Return tabled.

MOTIONS FOR PAPERS

PRAIRIE FARM ASSISTANCE, SASKATCHEWAN—RONALD REYNOLDSON

Mr. Diefenbaker:

For a copy of all letters, telegrams and other documents in connection with the payment, under the Prairie Farm Assistance Act, to Ronald Reynoldson of section 36, township 21, range 26, west of the second meridian, district of Chamberlain, Saskatchewan.

FRASER RIVER BASIN BOARD

Mr. Fulton:

For a copy of the terms of reference or instructions on the basis of which the dominion-provincial Fraser river basin board was constituted, and also a copy of any further instructions issued to the board since its constitution, by the dominion government.

EDUCATION

EQUALIZING OF OPPORTUNITY—ASSISTANCE TO PROVINCES

Mr. R. R. Knight (Saskatoon) moved:

That, in the opinion of this house, the government should take into consideration means of expanding and equalizing educational opportunity across Canada, by the granting of financial assistance to the various provinces for that purpose.

He said: May I say at the outset, Mr. Speaker, that there is nothing political about this proposal—and when I say "political", I mean in any partisan sense—because on both sides of this house there are members who are in favour of this resolution. It is the same resolution that I introduced at the last session of the house, on Wednesday, October 19, 1949. What I had to say then may be found at page 932 of *Hansard* and following pages. Today I do not wish to repeat the arguments I advanced at that time, but I want to supplement them and add something to them.

The resolution I moved last session received in the house a good response, which was re-echoed in the country. At that time the resolution was spoken to, although the time was short, by the hon. members for Eglinton (Mr. Fleming), Portneuf (Mr. Gauthier), Carleton (Mr. Drew), and one or two others. The Prime Minister (Mr. St. Laurent) himself had a word or two to say about it. I hope he was enthusiastic about it, but, as in so many other cases, I presume that his enthusiasm was tempered, as it often is, by the consciousness of the responsibilities of power. I make this motion most sincerely, chiefly with the aim of winning over that small section of public opinion which remains opposed to it, and which I think is opposed largely on account of lack of information or wrong information.

The public opinion has changed greatly in this matter over the years.

At first, education was considered merely to be the responsibility of the parents. Later the parents were assisted by the churches; then we had compulsory education—and may I say in passing that that loss of freedom was followed by the opening of a good many wider freedoms. Then we had the imposition of general taxation for the purposes of education, and that has become as generally accepted as compulsory school attendance. Then we had the coming of the so-called free secondary education—a great step forward. I said "so-called free"; it is not really free. If it were, it would be participated in by everybody equally; but it is not so participated in. It is still true—and this is proven by statistics—that the economic status of the parents decides whether the children shall or shall not attend high school.

It might be of interest to consider for a moment who the children are who attend high school at the present time. I find that almost 100 per cent of the children of the professional classes attend high school; of business people, 85 per cent; of civil servants, about 65 per cent; of skilled labour, 59 per cent; of unskilled labour, 15 per cent. So that the statement that secondary education is in all cases free will hardly hold water.

I suggest that the support of education needs to be put on a sounder basis than exists at the present time. In times of great crisis, as in a war or in an economic depression, we find that education is one of the first casualties. We find too that the remedies that are prescribed are always short-time remedies. We find ourselves prepared to accept inferior teachers, or people who are not teachers at all, and that sort of thing.

Perhaps I shall say no more about that matter for the moment, and go on to the treatment that this resolution received at the last session when I gave my opinion in regard to federal aid.

I may say that I was supported in that resolution by many well-known educators in this country. I wrote a few of their names down. There was Dr. Althouse; Dr. Wallace, of Queens; Dr. Trueman, Mr. Lazerte, and in Ottawa Mr. P. J. Kennedy, from whom I quoted—he was speaking to the Knights of Columbus organization. I can cite many organizations which have endorsed the proposition; they include the Canadian Legion, the Canadian School Trustees Association, the Canadian Teachers Federation, and so on.

Following the debate last year, my desk was flooded with expressions of support from hundreds of individuals and organizations throughout this country, including professional organizations, labour organizations, farm organizations, co-operatives, and business organizations. I have no doubt that others received such expressions of opinion —in fact I know, because many members telephoned to me with regard to the matter, saying that they too had received letters asking for their support of the resolution.

What ideas must we put before the public in regard to this matter? First of all, I would

say the necessity for and the importance of education. To this enlightened house I need not go into details about that. Then there are certain fears that we must get rid of. We must get rid of the fear in their minds that federal aid would involve federal control. I should like to quote from my own speech of last session in that regard; the sentence which I think covers it is to be found at page 935 of *Hansard*, as follows:

> There is only one control that would be necessary by the federal government, as far as I can see, in granting—and note the words that follow—assistance to the provinces to get on with their own type of education. That control would be to see that money voted for the purpose of education was spent for that purpose.

And for that purpose alone. I had intended, sir, to put on the record a long paragraph from the *Canadian Bar Review*, volume 37, No. 5, by F. R. Scott, McGill law faculty, who is an authority on constitutional law. I do not know whether I might be allowed by the house to put the paragraph on in full. I can read it.

An hon. Member: Read it.

Mr. Knight: I shall read the relevant part, and leave out the longer part. It reads as follows:

> Certainly no constitutional principle prevents the federal government from evolving and initiating educational plans of this type. For such plans do not mean federal legislation on the subject of education itself, but rather the formulation of methods of financial assistance to existing forms of provincial education. The control over the organization of schools and the choice of curricula remains provincial.

That, sir, is the meat of the matter. To those who are interested I recommend that they read the whole paragraph, which appears on page 526 of a reprint from the *Canadian Bar Review*, and is entitled: "The federal government and education." The article itself is entitled: "Dominion jurisdiction over human rights and fundamental freedoms."

The third thing that public opinion seems more prepared to accept now than it used to be is equality of educational opportunities. The birthright of every child is a minimum standard of education, based not upon the wealth of the parent, of the local school district, or even of the province, but on the wealth and the resources of the whole country. In short, the principle of equality of educational opportunity is an intrinsic part of democracy as we understand it and as we like to practise it.

There are of course many precedents for federal aid to education. I listed them last year in my speech. I can mention one or two of them from memory. There were the D.V.A. grants, which I think everybody admits were successful. There is the family allowance, which, I think it is fair to say, is a measure of aid to general education. There is vocational training, apprenticeship training, and so forth. Therefore we have precedents in the matter. I do not think anyone will say that our acceptance of these things involved federal control that had any general effect upon our freedom with respect to what we shall teach our children.

I said that there was a need for equality. Let me point out that at the present time there is great inequality in matters of education. There is first of all the difference in the extent to which people in different parts of the country are seized of the importance of education. I claim, of course, sir, that that is a sign at least of a lack of education on the part of those people. Some of the other implications are a difference in the professional standards of teachers, a difference in the standards required of those who go out and teach children who everywhere show no difference in the mass to begin with. I find, for example, that in one province the training of a teacher takes twenty times longer than it does in another. The degree of difference in the qualifications of teachers is greater than the degree of difference in the qualifications of the members of any other profession in this country. It is true to say that there is a difference in the economic wealth of the school districts themselves, and also of the provinces. The expression "the have and the have-not" which we have heard applied to provinces can be applied also to different types of communities on agricultural land, depending on whether the soil is productive or non-productive. Then there are differences among the provinces in the per capita expenditure on education. The last time I spoke on this matter I listed one province as spending $31 per head on the education of its children, while another province, in the same year, was spending $83 per head.

There is a considerable difference in teachers' salaries. While I think teachers are as faithful in their duty as those of any other group, I still think that the salary that a teacher is paid is a fair standard of his ability to teach. I shall get into a controversy in some quarters over that remark, but I believe it to be generally, though not always true. This difference in salaries occurs between province and province, and it occurs particularly as between rural and urban districts.

There are also differences in the economic position of the parents. This has a decided bearing upon the attendance, not in our public schools perhaps, but certainly in the

high schools. As I pointed out earlier, there are tremendous differences in the amounts brought in by taxation on real estate. It is unfortunate that up to the present our educational funds have depended largely upon the value of the real estate in the district concerned. The granting of some basic federal aid to education would help to do away with this inequality of opportunity.

The other day the hon. member for York South (Mr. Noseworthy) showed me the Forest Hill high school in the city of Toronto. I stood amazed at its efficiency, its magnificence, its equipment for every type of educational purpose. I thought of some little schools that I have seen where there were no books to read, and no equipment, and I said to myself: Surely there is a lack of educational equality in this country.

I have instanced these things at random. The figures are on record. I quoted some last year. The point is this. Some Canadian children are the innocent victims of a set of circumstances over which they have no control. Are we adults concerned about them? I know that education is a provincial matter. But members of this parliament are trustees charged with the well-being of the public and of the children of this country. Many of us are looking forward to the report of the Massey commission. Many briefs on this subject were presented to that body in various parts of the country. I have no doubt that when the report is received the government will have a comprehensive view of public opinion in this matter.

This brings me to a point which I think should be mentioned. There are certain preliminaries that are necessary to federal aid to education. The first one is investigation and research on the part of this dominion government to find out what the true condition of education is in this country. That work has already been initiated by various educational organizations. Some hold that this important matter should be a subject of conversation between the dominion and the provinces at the coming dominion-provincial conference. One of the great difficulties is that our right hand does not know what our left hand is doing in the matter of education. The provinces have so zealously considered education to be a matter totally and solely within their jurisdiction that the general public in one province have only a vague idea as to what their neighbours in the next province are doing. In education they have no knowledge of its status, its scope or its method so far as it relates to other provinces.

In passing may I ask this question of hon. members: Shall we ever have national unity as we should like to have it in this country as long as that remains true? Since we have little knowledge of the subject as between provinces, then I suggest that the first expenditure of federal public money should be made on a survey of conditions of education in each of our provinces, so that their needs may be determined. This would be only a small expenditure in relation to the general aid I recommend. It is my opinion that federal aid should not be a grant across the board, but rather a grant according to proven need.

There is preliminary work to be done. Surely there is machinery in the federal department to initiate that work. The education branch of the bureau of statistics is doing a good job now, and it could be broadened and expanded, or a similar branch could be set up under the auspices of the Minister of National Health and Welfare.

Mr. Martin: We are doing quite a bit of that work now.

Mr. Knight: I know the minister is a busy man.

Mr. Martin: I said we are doing quite a bit of it already.

Mr. Knight: I am glad to hear that.

Mr. Knowles: The principle has been established.

Mr. Knight: Such grants as I have suggested might be allocated to the compilation of necessary data and information so as to estimate (1) the ability of provinces to meet their educational requirements; (2) the amount per capita already being spent in that direction, and (3) the amount of federal aid necessary to bring about some reasonable amount of equalization in respect of educational facilities.

I have here a book headed "Teachers' Salaries and Qualifications in Eight Provinces," published by the dominion bureau of statistics. This publication apparently takes no account of Quebec, nor does it have any information about Newfoundland, because it is the report for 1948. It is a publication the study of which I would recommend to all hon. members. Perhaps the house would be interested in having on record some of the figures it sets out. It shows differences in salaries, in academic and professional standards, and in the length and quality of professional training. I referred to one case in which teachers in one province received twenty times as much training, in point of time, as teachers in other provinces. The differences are (a) as between province and province, and (b) as between urban and rural areas.

Education

I shall place on record some interesting tables as they are set out at page 3 of this red book. Table C shows the percentage of teachers with a university degree, by location, in 1948. These are the figures for the city schools:

Province	Percentage with university degree, city schools
Prince Edward Island	4
Nova Scotia	31
New Brunswick	23
Ontario	32
Manitoba	37
Saskatchewan	54
Alberta	34
British Columbia	42

I am proud of the figure shown for my native province of Saskatchewan. I shall not weary the house with the figures for schools in towns and villages, or large rural schools. However, let me draw the attention of hon. members to the figures for the one-room rural school, the basis of education in our country. These figures are as follows:

Province	Percentage with university degree, one-room rural schools
Prince Edward Island	·5
Nova Scotia	1·1
New Brunswick	·3
Ontario	·9
Manitoba	1·2
Saskatchewan	1·4
Alberta	1·7
British Columbia	2·9

The average figure for the eight provinces in city schools stands at 35 per cent, in town and village schools at 27 per cent, in rural schools with more than one room at 11 per cent, and in rural schools with only one room at 1·1 per cent. Perhaps the Minister of Labour (Mr. Mitchell) would think that that is why so many good men come from one-room rural schools. Unfortunately I cannot agree with him in that regard—even in a kindly way.

Another table appears in this book showing the percentage of substandard teachers in one-room rural schools. First of all, there should be no such thing as a substandard teacher; the two terms are almost contradictory. One may be substandard in his qualifications, but if he is, he should not be a teacher. From this table I shall read only one column of figures:

Province	Percentage of substandard teachers in one-room rural schools, 1948
Prince Edward Island	27
Nova Scotia	67
New Brunswick	41
Ontario	20
Manitoba	45
Saskatchewan	30
Alberta	18
British Columbia	33

While I believe I have already proved my point on this basis concerning the necessity for some federal assistance to the provinces, I shall place on record one more table dealing with salaries. While it is not always true that the size of the salary necessarily shows the qualifications or ability of the teacher, generally speaking I believe it is true. This table indicates the classification of teachers in all publicly controlled schools according to annual salary received in 1948:

Province	Average salary, male teachers
Prince Edward Island	$1,063
Nova Scotia	1,831
New Brunswick	1,550
Ontario	2,588
Manitoba	1,804
Saskatchewan	1,625
Alberta	2,406
British Columbia	2,787

I have not examined these figures closely, but my memory is that some of them are more than twice as large as some others.

Mr. Knowles: No statistics for Quebec?

Mr. Knight: There are no statistics for Quebec in this publication. I have no idea why. There are none for Newfoundland, either, for the reason I have already indicated. The complete figures appear in this book, and they make very interesting, but, so far as I am concerned, very sad, reading.

There is another interesting thing about teachers which those of Anglo-Saxon and French extraction should consider. What is the racial origin of the majority of teachers in our prairie schools? At the moment the greater number of the teachers in western Canada are of neither Anglo-Saxon nor French origin. Well, racial origin or language has nothing to do with one's ability as a teacher, but it is interesting to most of us in this house of those origins to know we are not doing our share in contributing recruits to the profession. Thirty per cent of those in the profession have expressed the

intention of not continuing in it. In most cases the parents of the teachers—I am talking now about the western prairies and British Columbia—are farmers and skilled labourers who sent their children to the normal schools.

I have had some experience as a high school teacher in a city. We discovered that our better students were not going to the normal schools. These young people stated quite frankly that they did not expect to be able to maintain a good standard of living by following the teaching profession. This is a fact that must be faced. If we want good teachers for our children, we are going to have to pay for them. You cannot expect to get good men and women for nothing. You cannot expect a man to go out in Saskatchewan or any other province and raise a family and contribute to the welfare of the community on a salary of $800 a year. I do not want my children taught by that sort of person, that is if that salary is any true measure of his worth.

To come back to the matter in hand, aid to education has been given before, but only in the form of special grants which were paid because of emergency. As a matter of fact, most of these grants in aid of education have arisen out of short-term policies, some of which remained and some of which did not. We need a long-term policy on a permanent basis for this whole thing.

As I say, these grants emphasized some special phase of education, such as vocational training during the war. I could talk for a long time on the question whether or not things like that are education. What is education? It is a subject I will not tackle here.

Mr. Mitchell: Will my hon. friend permit a question?

Mr. Knight: I see the Minister of Labour is trying to interject. I do not agree that education is something that you learn in a technical school, that it is a quick course given to teach a person how to fly an aeroplane or to be able to shoot straight with a machine gun. That is far removed from what I understand education to be.

Mr. Mitchell: If some of us did not work with our hands, what would happen? My hon. friend says that you do not obtain education at the vocational school. Let me tell him that I have done fairly well with my hands.

Mr. Knight: I think the minister is confusing training with education. I have heard the Minister of Agriculture (Mr. Gardiner) say many things, and I have quoted him on various occasions, but I think one of the best things he ever said was that the man who was best fitted to assimilate education and appreciate it was the man who had worked with his hands as a boy on a Saskatchewan farm. So far as I am concerned, I am prepared to back that up one hundred per cent. Even if the Minister of Labour had said it I would have supported it.

At the moment I am speaking of federal aid for general education—and I said "general" education. The whole future of this nation depends upon the quality of that education. Far be it from me to detract from technical or vocational training, or for that matter from the federal grants in aid of university education. I am in favour of all these things. I hope the universities will receive grants; they are certainly in need of them, and they should have support from federal funds. I am pleased to note that the Saskatchewan university has been provided with a grant of $1,125,000 by the Saskatchewan provincial government in the budget for 1950-51. I hope the universities will receive federal aid, but I want it made quite clear that such aid should not be permitted to delay or divert our minds from the greater field, which in my opinion is education in general.

In conclusion let me emphasize that federal aid should be granted so that every child in Canada, irrespective of where he lives or of the economic status of his parents, should be guaranteed a minimum of education as of right; consistent, of course, with his ability to take advantage of that education. The greatest need of our age and for the future is that our children have an interest not only in their own province and in their own country, but in the wide community of the world. So far as education can help to fill that need, it is worthy of support by all the resources of this nation.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, I have no thought of attempting to examine too strictly the exact wording of the motion now before the house. I believe its intention is clear. As I understand it, the purpose of the motion is to bring to the attention of the government, through a vote of this house, the desirability of equalizing educational opportunity across Canada. I concur in the aims and objects expressed by the mover of the resolution.

There is only one point in regard to which I suggest that some caution should be exercised. In supporting the motion the hon. member said that we have little knowledge of the situation in the different provinces. Without raising the point for the purpose of criticism, I wish to say emphatically that

there is a great deal of knowledge available. For many years the Canadian Education Association, which is representative of every province—including Newfoundland, even before Newfoundland became a part of Canada—has been examining this whole field, not only from the point of view of abstract educational problems, but from the comparative point of view as well. I should be greatly concerned if the adoption of the resolution led to the creation of a further board or commission of inquiry. The Canadian Education Association is fully capable of dealing with the question of the comparative levels of education across Canada. It is composed of the technical experts in each province who understand exactly what the situation is today and what the desirable level would be in the years ahead. I mention this in the hope that the resolution will pass, that the government will act upon it, and that the government will then consult those who have been studying this very question for many years.

It has already been said that there is no idea that the adoption of the motion should be taken as suggesting any encroachment upon provincial jurisdiction. It is a good thing to keep that in mind. Undoubtedly the house should be most careful not to make any suggestion that would lead to any measure of encroachment upon the jurisdiction of the provincial departments of education over this field. This does not mean, however, that the provincial governments would not welcome a measure of support which would make it possible for them to carry out the general advancement of their educational programs.

I wish to support what has already been said, and to repeat that it is necessary to deal with this matter on the basis of the special requirements of the different provinces, because the aim should be not only to assist education but also to equalize opportunities for education in every part of Canada.

I think it is particularly appropriate that the resolution should come up at this time. Later this year there is to be a dominion-provincial conference. The problem of equalizing education in a satisfactory manner is one which requires effective co-operation between the dominion government and the provincial governments whose responsibility it is to direct educational programs in their respective jurisdictions. I hope that with the adoption of the resolution the government will then determine what can be done and will be in a position to deal with the subject when that conference meets later this year. I suggest, however, that no attempt be made to lay down any conditions as a qualification upon which financial assistance would be dependent. If that is done, the purpose which the resolution seeks to achieve will be defeated, because the provinces most certainly will not welcome an indirect measure of control which they would not accept directly.

In considering this subject I think there are ways in which the dominion government can assist without of necessity limiting their assistance to such arrangements as may be made for ordinary educational facilities. To a great extent the qualifications of our teachers will depend upon the number of young men and women who can take university courses, and particularly those branches of university courses which will qualify them for teaching. There is a great opportunity for the dominion to assist in that field by extending the number of scholarships which will make it possible for young men and women to take university training of that kind. Scholarships already are being granted. The number could be greatly extended with advantage to every part of the country.

There is another field in which the dominion government can act directly to assist the general cause of education. Today in this and every highly developed country, research in the field of education, in medicine, engineering, pure science and the broad general field, is the very basis of our progress. Grants might well be made to assist in research under each of these headings, and also to provide sustaining scholarships, in order that young men and women who demonstrate special qualifications in any field of research may be able to carry forward their advanced studies in Canada; thus we would reap the full benefit of the education they receive.

From time to time we speak with regret about the fact that intelligent young men and women, who have had the advantage of our educational system in the public schools, high schools and universities, have left Canada and availed themselves of opportunities open to them elsewhere. It is highly important to the advancement of Canada that we provide sustaining scholarships at a level which will encourage young men and women of the keenest intelligence to stay here in the field of research, whether it be in education, medicine, science, or anything else. I do not think we should be satisfied unless we can say without reservation that all our children, no matter where they may live, no matter what the circumstances of their parents may be, have open to them equality of educational opportunity to the utmost limit of human ability. That should be our purpose; and as I interpret the resolution, that is its intention.

The more we spend on education the less we will spend on reform and on prisons. When we ask where the money is to come from—and that is a very sensible question —I suggest that we could probably save some of the enormous expenditures we are now called upon to make on prisons and reformatories if we spent an additional amount in providing educational opportunities in all parts of this great land.

That does not apply only to moral status; it applies also to the health of our people. No greater measure of personal security can ever be given our citizens than to implant in their hearts and minds the highest possible character and the highest possible personal standards. Moreover, the best security we can give against avoidable ill health is to impress upon our people a sense of social discipline and training which will prepare them, to the very limit of their ability, to meet the physical as well as the mental tests of life.

Today education assumes greater importance than at any time in the past. It has been said in this house during the present session as in earlier sessions, and as it will be said again, that we are in the midst of a world-wide struggle for the minds of men and women. We are. We are not in a cold war. War is war; and we are engaged in a war between decency and slavery. Toward the winning of that war, to which we have already committed so much of our national strength, a very basic preparation may be made in our homes, our churches and our schools. The character of our people, which our children develop at their mother's knee, when they go with their parents to church, and later in the great public institutions of learning, will very largely determine our success or failure in that so-called cold war. Education is the very foundation of our civilization.

I propose to support this resolution, as I hope others will, without too precise an examination of its wording, with the simple thought and hope in mind that the government will take those preliminary steps as a result of which they will be ready to join with the provinces in expanding equality of educational opportunity to every part of Canada.

Mr. F. D. Shaw (Red Deer): Mr. Speaker, the resolution now before us calls upon the government to take into consideration means of expanding and equalizing educational opportunity across Canada through the granting of financial assistance to the provinces for that purpose. Before proceeding further, may I commend the hon. member for Saskatoon (Mr. Knight) on having again brought this resolution before us. I say "again" because last fall the same resolution was considered by the house for a very brief period of time. I commend the hon. member also on the skill and sincerity with which he presented his case.

When the resolution was before us last fall the time factor operated in such a way as to prohibit many of us from expressing our views upon this extremely important subject. While prevented from doing so on that occasion, however, we have taken advantage of other opportunities to extend our support to the general proposition under consideration. In fact last February my leader, the hon. member for Peace River (Mr. Low), was so much concerned with the importance of this subject that he devoted a substantial portion of his speech during the debate on the address in reply to the speech from the throne to the question of federal aid to education. As a former teacher and a former minister of education in the province of Alberta, the hon. member was admirably qualified to deal with this subject in a practical and realistic manner.

On that occasion the hon. member for Peace River made two extremely important assertions. I am not going to undertake to quote them verbatim because I realize that would not be in keeping with the rules of the house; however, he said something to this effect. First, nothing can contribute more to the internal security of Canada than a broad, general understanding on the part of her citizens; and second, if democracy is to function successfully and yield the results the people want from the management of their affairs, there must be a high general level of educational achievement among the people.

There is much to commend itself to us in those two statements. As hon. members will realize, owing to its size, its widely varying resources and the productive abilities within its boundaries, Canada has many areas in which incomes are much lower than in other areas. The degree of prosperity varies very definitely from province to province, and indeed from municipality to municipality within the province. As I think my leader also mentioned in February, the bulk of the revenues from which the school districts must pay their educational costs come from taxation upon real property. The inevitable result is a wide divergence in educational opportunity, because within certain areas there is substantially less real property for the authorities to tax. In those districts where production is unusually low and incomes

therefore are very small, certainly there is less opportunity for our boys and girls to enjoy the educational opportunity and educational standards that are essential to their welfare and to the welfare of this country. I am told that many of our local school authorities are obliged to raise more than seventy per cent of their educational requirements through taxation imposed upon real property in the community. One appreciates how small must be the over-all receipts from the imposition of taxes where the amount of real property is limited.

In assessing current educational costs one cannot but give some consideration to several important factors which have resulted in an almost skyrocketing spiral of educational costs within this country. I have been told that anywhere from fifty to seventy per cent of the budgets of many local educational authorities goes to pay the salaries of the school teachers. I know, for example, that within my own province we have seen a greater increase in the salaries of teachers during the past five years than during any other five-year period in our history. Speaking of rural areas only, the salaries of teachers have increased by an average of eighty-five per cent.

I mention that only to indicate how in one field alone the burden of educational costs has climbed so rapidly within our country. I want to hasten at this point to say, Mr. Speaker, that certainly I know, from quite a number of years of personal experience, taking into consideration at the same time the nature of the work performed by teachers and also the present-day cost of living, that the teachers of Canada are today disastrously underpaid. The $1,500 or $1,600 averages in my province, for example, in our rural communities represent probably 85 per cent to 100 per cent increase since the thirties. But is there anyone here who would argue for one moment that even a $1,500 or $1,600 average for schoolteachers, even in the rural areas of any province in Canada, is fit, proper or adequate recognition of the outstanding services which they perform to the community and to Canada? Yet when I refer to those $1,500 or $1,600 averages, I am quoting averages which are substantially higher there than in a great many other parts of this great dominion. Considered in the light of the training which it is necessary and desirable for a teacher to have, taken into consideration along with the highly important nature of the services performed by a teacher, and taken in relationship to the incomes of other employee groups within the country, I would say that salaries generally are terribly low, disgracefully low.

[Mr. Shaw.]

One cannot but note the increased cost of construction and equipment of school buildings within the Dominion of Canada. I have no specific figures available; but in passing I might just mention the fact that in my own province, for example, in a period of three years, 1947-49, capital construction increased from $2·6 million in the year 1947 to $4·7 million in 1949. If one were to take the general capital cost of construction in the educational field, I think that those figures might easily represent not a 100 per cent overall increase in the number of units built in 1949, but an additional cost represented by an almost double cost of providing the same units which were being provided in 1947.

Speaking last February my leader suggested to the government that it might be advisable for them to set up a revolving fund out of which the educational authorities within the country might be able to borrow money at a low rate of interest for the purpose of constructing schools and equipping them. In my province a step in that direction has been taken. Only this year such a revolving fund was set up by the government of the province of Alberta. Any school district within that province is able to borrow up to 25 per cent of its authorized borrowing for the purpose of school construction; possibly I should have said "approved school construction". The local board is required to repay only one-half of the original loan and there is no interest payable on that sum. Payments are extended over a ten-year period of time. I mention that fact only as an indication of something that probably could be done by the dominion government in order to assist capital construction in many parts of this Dominion of Canada.

Only recently I was advised that the cost of school equipment, principally schoolbooks in libraries and the like, has advanced by approximately 40 per cent within the last five years. I realize that there are certain definite reasons for this, such as an increase in the costs of materials which go into these books, advances in wage rates, rising transportation costs, and the devaluation of the Canadian dollar in relation to the American dollar. This latter factor comes in there substantially because of the fact that a goodly part of the printed materials in book form which are used are printed in the United States; and the additional 10 per cent has to be paid because of the devaluation.

We may get another picture of what is occurring from another reference to my province, and I am making references to my own province because of the fact that naturally one would have more information about his own province than he would about the others,

and because of the fact that for some years I occupied a position in the school-teaching profession in that province. Taking my own province, in 1947 the educational costs were $19·9 million; by 1949 those costs had increased to $26·6 million. The provincial authorities there have been endeavouring to relieve the burden which is imposed upon the local district by accepting increasing responsibility for meeting the over-all costs of education. I am, however, the first to admit that this action has not been reflected too greatly in the local field because of the continuing high costs of almost everything that goes into education. For example, within a period of three years, my province has increased the grants to the local school district by more than 6 per cent, from approximately 21·5 per cent to 27·2 per cent, while at the same time trying to assume ever greater costs such as contributions to a teacher retirement fund, which in itself has jumped from $6,600 in 1939 to over $587,000 in this year, 1950. I point that out, Mr. Speaker, as showing the increase in the cost of education and showing that, even though the province may go as far as it can having regard to its responsibilities in the over-all field, most of our provincial governments are experiencing a great deal of difficulty in meeting the over-all cost of education.

I may just refer to this matter of school grants for a moment, and once again using my own province largely because of the fact that it is with that province that I am familiar. School grants in the fiscal year 1935-36 amounted to $1·39 million. By 1949 those had increased to $7·78 million; and I am not taking into account of course this figure of $587,000 which is paid into the teacher retirement fund. As far as my province is concerned this represents an increase in cost of approximately 2 per cent. While 2 per cent does not sound like very much, it is 2 per cent of a budget which is probably five times what the budget was in 1935. In dollars it represents an increase of almost 700 per cent.

Again, Mr. Speaker, within that province expenditures on education from income account increased from $2·4 million in 1935-36 to over $10·71 million in 1948-49, and in 1950 it will likely go to $11·22 million. That represents an increase from 13·3 per cent to 23·5 per cent. I am going to say this before someone else does. I recognize that the province of Alberta has been extremely fortunate as far as industrial development is concerned. However, Mr. Speaker, I am not going to refrain from saying that that sort of thing has not come just as the result of the passage of time or by accident. We have been extremely fortunate in having within that province a government which I characterize as a wise government, and as a government which has pursued policies which have resulted in the rapid development of those great resources.

If a province like mine, Mr. Speaker, with its increased revenues resulting in part from the greatly expanded industrial development within the past two or three years, finds it difficult, how much more difficult must it be for so many of the provinces where a corresponding set of circumstances has not existed. If it is becoming a burden in a province like mine, what must the situation be in certain of our maritime provinces, for example? The mere fact that we have been able to do some of these things of course does not mean that other provinces should immediately undertake to do it too; but is there any reason why the children living in some of these other provinces should be deprived of that quality of educational opportunity which I think all hon. members agree they should have?

When my leader spoke in February he was criticized, not in this house, but by a publication which I have had to refer to before and am sometimes obliged to call a questionable publication, namely, the *Farm and Ranch Review*. I do not know why I should pay any attention to it; nobody else does. It is a publication which is the product of a politically ambitious, though hopelessly frustrated individual. In its March issue this publication states—I am going to read this first statement because it will reflect the mental turmoil of the editor.

Mr. Low: Who is he?

Mr. Shaw: A man by the name of Porter.

Mr. Low: Marsh Porter?

Mr. Shaw: Yes. Probably the Minister of Agriculture (Mr. Gardiner) knows him. He says:

> Offhand, we can imagine nothing of less consequence to this society than a speech by Mr. Solon Low, the leader of the Social Credit party in the House of Commons.

I think that proves what I said previously, Mr. Speaker. That expression is nothing but the irresponsible product of a politically ambitious but hopelessly frustrated mind. I continue:

> But when he asks the dominion government for aid for schools, we cannot resist calling his attention to the fact that he is talking to the wrong people.
>
> It should have been directed to his party-liners in Alberta. This year the Alberta government's income from oil lands royalties will far exceed $30 million. This income from wasting assets should go into permanent capital assets.

I am just going to digress at this point to remind you, Mr. Speaker, and the house, that not long ago when I spoke here I referred to this same publication and to the criticism of the government of Alberta contained in it for paying off a very substantial part of its provincial debt and saving the people of the province an additional $18 million a year which they would have had to pay in interest and carrying charges had not that portion of the debt been liquidated. This is the publication that criticized the Alberta government for having done that, and yet they come along with this, which they would like to think is a great display of wisdom. They begin by telling us that we should be giving consideration to the fact that our oil and gas are wasting assets, and that we should take the proceeds from them and put them into other permanent assets. We have always declared, as has the premier of my province, that we recognize these are diminishing assets; but had we listened to the editor of the *Farm and Ranch Review* we would never, even from the beginning, have looked upon the proceeds from this development as diminishing assets. They go on and say:

> No finer program for building up Alberta could be devised than a province-wide government financed school construction project.

When this publication came out the editor did not know, even though the papers were full of it, that the government of my province had set up a very substantial borrowing revolving fund for the construction of capital assets in the educational field within that province. I continue:

> The Alberta educational council has urged the Manning government to undertake just that. It, of course, will pay no attention to the A.E.C.

In view of what has been done already this spring I think you, Mr. Speaker, as well as I, could find the appropriate language with which we might describe that particular editorial. I realize, sir, it would not be parliamentary whether you thought of it or whether I thought of it. I continue:

> Maybe it would listen to Mr. Low.

The government of Alberta undoubtedly heard Mr. Low when he was speaking here, even though they were a couple of thousand miles away, but obviously the local government with its representatives in the same building did not hear him, Mr. Speaker.

I should like to remind the house that not only did the hon. member for Peace River point out that federal assistance should be made available for educational purposes, but he went on and mentioned several ways or methods by which this could be done. He referred to the old Municipal Improvements Assistance Act which, as I believe he said at the time, has been in mothballs for a long time. It was an act under which approved projects entered into by school districts and municipalities could be financed in part at least under this act on an interest rate approximating 2 per cent per year. Certainly that act, or something comparable with it, could be put into operation and we could assist materially in meeting the burden of heavy capital outlays by our school districts in the several provinces.

He also referred to the school trust moneys. This would affect Saskatchewan and Alberta particularly; but so far as Alberta is concerned they still have $12 million here which I say we could put up a very strong argument for as a province. We feel that it is ours even though in the stricter sense of the word it is not.

The interest from that money was to be made available to the province to assist in educational work. We believe that $12 million itself could be put into a revolving fund out of which money could be borrowed for capital construction. Repeating again what the hon. member for Peace River said, we cannot see any continuing justification for the heavy taxes at present imposed upon vans and school busses. In my own part of the country, as well as in other areas of Canada, we have endeavoured to improve the educational facilities by the centralization of service. For example, in a community we have found that we could provide certain advanced educational courses for our pupils, provided a number of pupils were brought in from certain areas, so that one school could be constructed and equipped, and the very finest of teachers available could be induced to teach. An ever-increasing number of vans and busses are being used to transport these children.

However, the federal government insists upon imposing heavy taxes on these vehicles. We have urged and continue to urge the removal of such taxes. Finally, we would favour a straight grant to the provinces. Personally, I would go so far as to say that special consideration should be given to the poorer districts, so far as those grants are concerned. We are not limiting the action of the federal government to those specific fields, but would be glad to approve any measure which in effect would have the result of granting assistance to each province for educational purposes, and thus have the result of improving the educational standards and granting greater equality of educational opportunity for our youngsters.

I should like to see a vote taken on this resolution. After all that is the best way to ascertain where we all stand in a matter of this kind. What I have said today has been said for my associates in the Social Credit group. Those are the things we have fought for; those are the things we shall continue to fight for. We realize the provinces should do all they reasonably can within this field of education, and we assert that Alberta, at least, has accepted its responsibility.

Before taking my seat let me say that we have always stressed the fact that the administration of education should remain within the provincial jurisdiction, where it is today. Moreover we cannot forget also that a number of precedents have been established for the type of assistance set out in the resolution.

Mr. J. G. Diefenbaker (Lake Centre): Mr. Speaker, I do not intend to speak at length, because I join with the hon. member who has just taken his seat in my desire to see a vote taken on this resolution.

May I first thank the hon. member for Saskatoon (Mr. Knight) for what he has done in introducing the resolution and giving the house an opportunity to discuss a matter of particular interest and importance to all Canadians. I intend to support the motion, and I shall do so with no apologies for having on many occasions stressed the necessity for economy. Economy is parsimony when applied too strictly to education, because expenditures in education pay dividends by way of good citizenship which do not flow from many other expenditures parliament must necessarily make.

I join with those who have preceded me in stating that while at all times provincial rights must be preserved and maintained, and nothing must be done that in any way would appear to be control on the part of the federal authority over education, jurisdiction over which rests with the provinces, the carrying out of this motion would in no way constitute interference either directly or indirectly with provincial jurisdiction in the broad field of education.

Indeed, as the motion reads it can be accepted in principle by all, irrespective of the desire of each of us to support the constitution in its entirety. The mechanics for the carrying out of this motion must necessarily be left to those charged with the responsibility of carrying it out. I know of no better summary of the situation in general than that given in November, 1949, by the Canadian Teachers Federation, as set out in a booklet issued by them and entitled "Federal Aid to Education". As a foundation for the argument I intend to advance I should like to refer to one or two of the submissions made in this brief.

It states that the Canadian Teachers Federation represents a membership of some 60,000 and that, taken with La Corporation Générale of Quebec, makes up 99 per cent of the men and women who are in daily contact with boys and girls in Canadian schools. It points out that the federation is non-political, is not unduly affected by special interests, and is independent of governments, both dominion and provincial. It is only fair to say, and properly, that the Canadian Teachers Federation has lived up to its responsibilities and its desire to build the best Canadian citizenship.

In the course of this brief it quotes from its representations made to the government in February, 1949. On that occasion it said, in part:

> We believe that a straight per pupil capita grant would bring the greatest benefits compatible with the safeguards which certain provinces would require to guarantee that the federal government would not infringe upon their jurisdiction in the field of education. . . We do not overlook the possible additional assistance which the federal government may render generally through an extension of the research program of the education branch of the bureau of statistics or through grants earmarked for specific purposes.

Then it expresses the desire to work with any committee set up by the cabinet, and also with representatives of the provinces, to the end that a system may be arrived at mutually agreeable to the federal and provincial authorities. The leader of the opposition (Mr. Drew) dealt with that phase of the matter and suggested—I believe properly—that the mechanics of the fulfilment of the motion might very well be left to the dominion-provincial conference which is to reconvene this fall.

It sums up in a general way the answer to the question so often raised, namely that federal help might be regarded as an invasion of provincial jurisdiction, in that it might imply control by the federal authority over education in the provinces. I believe the answer given in the brief is a conclusive answer to those who advance that argument, when it says:

> Federal aid for education is a need born of a shift in taxation. Meeting this need may involve fiscal control—safeguards in the spending of funds from the federal treasury—but not policy control.
>
> In any plan of federal assistance it would be understood and agreed that the expenditure of funds by the government of Canada would in no way be deemed to confer upon any minister or official of the government of Canada any right of supervision or control over any school or educational institution with respect to which federal government funds are expended.

I would go further and say that it should not imply either control of the plan or the use that is made of the moneys advanced. One often hears it said that private members' days are a waste of time, and sometimes the number of members in the chamber would indicate that there was ground for that belief. But I believe it is through the instrumentality of resolutions such as this that private members' days provide an opportunity to the private member to discharge responsibilities that might otherwise be denied him. When this matter came up last fall the minister spoke on October 19, as recorded on page 946 of *Hansard*. Before the Prime Minister had concluded, the debate was adjourned and as private members' days ceased to exist for that session the motion died the inevitable death that occurs when private members' days are done away with. The Prime Minister spoke quite shortly and tersely and used these words:

> I am sure all hon. members have welcomed this opportunity of focusing their attention upon this assertion, one which certainly appeals to each and every one of us, that there should be across Canada the greatest possible degree of equality of opportunity for the education of our young Canadians, the Canadians of the next generation.

That is an expression with which we are all in agreement. Then the Prime Minister went on to say:

> Whether or not the granting of financial assistance by the federal government to the various provinces could be arranged in such a manner as to avoid exercising any direct or indirect control over the field of education, which is essentially within provincial jurisdiction, is a question offering greater possibilities of controversy.

With all the respect that one must have for the opinion of the Prime Minister I find it difficult to follow him in those words. We have grants in aid in various departments of government, all without supervision or direction in any way as to the means of expenditure. If we accept the need, if we accept the desirability of equality of education in all provinces, if we believe that Canadian citizenship can be built up only upon the foundation of equal opportunity to all young Canadians irrespective of their geographical location, then surely there can be no objection to the acceptance of this motion. It does not state that there shall be control; it leaves the administration to the provincial authorities. It makes the declaration of agreement with the necessity of the government taking into consideration means of expanding and equalizing educational opportunity across Canada. After the Prime Minister dealt with that phase of the matter, he took another means of postponing consideration of the motion when he said in effect that as the Massey royal commission was sitting parliament should wait until it had brought down its report. So that there will be no misunderstanding of what the Prime Minister said I read his words as follows:

> Hon. members know that, at the present time, there is a royal commission investigating the problem as to whether or not we are making the best possible use of the public moneys being expended for the promotion of the development of the aspect of national life in Canada which is not measured in statistical trade returns, or in dollars and cents, or pounds and shillings.

Then a little later:

> It will certainly be a matter of months before we can obtain a report from that commission, and I should think it would be wise not to attempt to determine with any degree of precision how the purposes can best be served until we have had that report.

It is not a question of how the purposes can best be served because this motion simply declares the desire of the house that the government should take into consideration means for expanding and equalizing educational opportunity across Canada by the granting of financial assistance to the various provinces for that purpose. In any event it is for the House of Commons and parliament to determine this question. The Prime Minister recognized the desirability of having equality of opportunity in education for the children of this country. That is all there is in this motion. I do not suggest that there was anything intentional in the termination of private members' days after October 19 last year, but whether there was or not it certainly was completely effective in the postponement of any action being taken on this motion.

I hope that this motion will be voted on today. I shall not speak for more than ten or twelve minutes, because I will not be a party to denying this house an opportunity to vote on this important matter.

There is one matter to which I think I should make reference. The hon. member for Saskatoon (Mr. Knight) pointed out that in the prairie provinces the majority of teachers were of other than Anglo-Saxon or French origin. I do not know what he had in mind when he said that. I do not think it is racial origin that determines whether or not a Canadian is qualified to teach in our schools and inculcate principles of democracy in the children of the present or the next generation. I know the Minister of Agriculture (Mr. Gardiner) will join with me when I say that many of these young men, whose parents came to this country forty or fifty years ago, are carrying out the principles of democracy which so many of them displayed on battlefields all over the world during the recent war.

Mr. Knight: I wonder if the hon. member would let me put myself right in that regard? I agree with everything the hon. member

has said. What I really had in the back of my mind was to blame people of Anglo-Saxon and French origin for not taking on the job. I quite agree that racial origin has nothing to do with the making of a good teacher, but it is a point of interest to us in this house who are mostly of Anglo-Saxon and French origin that our own people are not doing this job.

Mr. Diefenbaker: I thank the hon. member for indicating that he has the same view that others from the western provinces have in that regard. I am not going to say that I was much of a teacher myself because my career as one did not last very long.

Mr. Mitchell: I guess they found you out.

Mr. Hodgson: There wasn't enough money in it for you.

Mr. Diefenbaker: No, it was not that. I did not intend to mention this, but the fact was that my clock was fast. During the time I should have been in school I was out shooting gophers. The inspector, the late Dr. Magee, came along and indicated that gopher shooting was not a part of the curriculum and at the termination of the short term my permit was not renewed.

We hear a good deal today about the Doukhobor problem. The Doukhobors make good citizens; it is the Sons of Freedom who have not made good citizens and who show no signs of doing so. In the school where I taught there were five Doukhobor boys who constituted the majority of pupils in that school. Three of them became professional men. One became a leading artist and the fifth became a missionary. That is indicative of what happens under our public school system. Those Doukhobors were a good type and made good citizens. In the main those in the province of Saskatchewan do not belong to the Sons of Freedom who today hold the law in contempt and show no regard for the educational opportunities they have had. One hon. member has said that education of itself will produce good citizenship. I knew some of the Sons of Freedom whom we had in our province before they migrated to British Columbia. Some of them were well educated but nevertheless they did not become better citizens in spite of the educational advantages they had.

Every conceivable argument in support of the resolution has been advanced by the mover and the leader of the opposition (Mr. Drew) today, as on October 19 last. Summarizing my remarks, and supporting the resolution as I do, I believe that the resolution will provide certain advantages. First it will provide an opportunity for greater equality among Canadians everywhere in the matter of education. Second, it will make possible the raising of teachers' salaries so that the best men and women will be mobilized for service in the great profession of teaching. The hon. member for Saskatoon (Mr. Knight) explained the meaning of his words a while ago. I feel that the teaching profession is so notoriously underpaid today, even having regard to recent increases in the last few years, that however desirous most young Canadians with the necessary educational advantages may be to remain in the profession the rewards are too low. The level of reward is so low that it is no inducement to remain in the profession to those who wish to advance themselves and secure the material advantages of life. Everything should be done which will assure increase of their salaries. That would be possible under advances made by the federal authority, although not earmarked for that purpose.

In the third place, it would enable the extension of a system of scholarships, to which reference has already been made. Within the last few years there has been a wide extension in the granting of scholarships. To my knowledge the finest example in the world of the granting of scholarships is the Scottish system. Recently I was reading Lord Shaw's views on the subject. At the end of his life he was able to name many of the outstanding Scottish people of his generation whose contribution to their country had been made possible by a system of national scholarships.

I feel sure that the Minister of National Health and Welfare (Mr. Martin) will be the first to support the resolution on this ground if for no other. On the 24th of February, 1937, a private members' day, he introduced a motion in the house reading:

> That, in the opinion of this house, following the practice already established in Great Britain and other industrial countries, the government should investigate the desirability of a system of national scholarships to be made available to outstanding students who are financially unable to continue their education, to enable them to secure undergraduate and (or) post-graduate training in our universities, university colleges, agricultural colleges and technical schools.

I should like to see the system of scholarships extended. I know something of the results in the province of Saskatchewan. Some twenty-eight years ago the Masonic order established a system of scholarships in that province available to all regardless of religious faith or racial origin. The purpose was to provide worthy Saskatchewan students with advanced education conditional on their undertaking to teach in the rural schools of the province where the population was of

other than Anglo-Saxon or French origin. That system went a long way toward the improvement of educational opportunities. Several of these young men of various racial origins are making their contribution not only in the research council of Canada but also in the bureau of national standards at Washington, and their opportunities for that wider field of service were provided as a result of the establishment of these scholarships in our province.

Mr. Knight: I was one of them.

Mr. Diefenbaker: I intended to mention that.

Mr. Knight: I did not know you knew.

Mr. Diefenbaker: Yes, I knew that. The hon. member for Saskatoon (Mr. Knight) was one of those who received a scholarship and utilized it in such a way that two of his former pupils, the hon. member for Meadow Lake (Mr. Harrison) and the hon. member for Kindersley (Mr. Larson), are now members of the House of Commons. The scholarship won by the hon. member for Saskatoon paid off in good citizenship in the house to which he and I have the honour to belong.

Having said that, I join in what the leader of the opposition (Mr. Drew) has said in support of the resolution. I feel sure it is worthy of the support of members in all parts of the house. It is a resolution on which there should be a vote, and it should not be talked out.

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, it is only by accident that I find myself in a position to speak on the resolution at this time. The discussion that has taken place up to the moment is one to which I can take very little exception. One might agree with most of the things that have been said. There was one suggestion, however, made by the hon. member for Lake Centre (Mr. Diefenbaker), which makes it necessary for someone in the government to say something at the moment. Since I happen to be the senior member of the government present at this time, it becomes my duty to make some remarks.

It has been suggested by the last speaker that because this resolution was considered on the last private members' day last session, and so near the end of that day that it was impossible to have a full discussion or to have a vote taken, the same thing might be intended on this occasion; and the last remarks of the hon. member were an appeal to us to see to it that the resolution was not talked out. Well, Mr. Speaker, it is not the desire of the government to have it talked out. It is the desire of the government to have a vote taken; but I am not going to agree that it is the desire of the government to have a vote taken on the issues which have been presented to the house this afternoon.

Most of those issues did not have very much to do with the resolution; and most of us could agree with many of the things that have been said. But I think we should read the resolution, and should perhaps accept the interpretation that was placed upon it by the mover rather than the interpretation it has been given by others. The resolution reads:

> That, in the opinion of this house, the government should take into consideration means of expanding and equalizing educational opportunity across Canada, by the granting of financial assistance to the various provinces for that purpose.

The leader of the opposition (Mr. Drew) said he was not going to quarrel too much with the wording of the resolution. I can quite understand that, for if he had started to quarrel with it he would have had to oppose the resolution, on the arguments he presented before he resumed his seat. Therefore I suggest that, accepting the interpretation of the mover of the resolution, when we vote upon it we do not vote on the question of whether or not grants should be made by the federal government to promote research in education, for example. The federal government has been making grants to promote research in education under all governments for many years. I was going to say that has been done since the time of confederation, but I have not checked the records back that far. At any rate the government has been making these grants ever since I have had anything to do with education or with politics, and that takes me back at least thirty-six years.

Most of the types of research grants that were spoken of were given freely to institutions of higher education right across Canada, where that kind of research work is carried on. Grants for research purposes in connection with soil surveys, for example, are given to universities and colleges of agriculture right across the country, to promote examination of the qualities of soils and everything that goes with that in relation to agriculture. Grants have been made to assist in the development of ways and means to better safeguard the health of the people of Canada. Those grants have been made to universities and medical and nursing schools. Those are educational. Grants have been made to all provinces to encourage the setting up of technical schools, which the hon. member for Saskatoon (Mr. Knight) said he did not have in mind at all. Many others

have had them in mind, and had educational grants of that kind in mind in discussing this resolution.

Mr. Knight: We already have that.

Mr. Gardiner: Yes, we already have it, and my hon. friend said that was not what he was talking about. Eventually I am going to get down to what he was talking about. He was not talking of the kind of grant given to technical schools to promote the development of that kind of education; he was talking about something else. From what he said I am quite sure he was not talking about the kind of research grants we are making already to universities right across the country. I assume he was not talking of the kind of support we gave the universities during and after the war which made it possible for young men to come back from overseas and get an education which otherwise they probably would not have been able to get. All these things have been done; all these things are accepted, and we are going on with them.

Then I take for granted that he was not talking about those scholarships that were mentioned by the leader of the opposition and the hon. member for Lake Centre (Mr. Diefenbaker). Scholarships can be set up to promote education in various ways, and are set up more particularly to encourage people to go into that kind of educational work associated with research, technical pursuits and all that sort of thing. Scholarships are set up to encourage people to go into that work and devote their lives to chemistry, for instance, in order to make some great contribution to the health of our people. All these things are good. They are being dealt with in one way or another now. They all have to do with the promotion of that aspect of education about which, as I have always understood it, there has never been any question of the federal government doing something.

So I think my hon. friend got himself down pretty well to the elementary schools of this country, or if he went beyond those he was talking about what we might call the secondary schools. He suggested that teachers should be better paid, and that education in the different provinces should be more the same. If I interpret that in what I would consider to be proper language in relation to education, it seems to me it has to do with the curricula in the different provinces. I agree with much of what has been said to the effect that the educational systems of the different provinces are not entirely the same; but I would point out that undoubtedly the people in those areas think they should not be much more alike than they are at the present time. That is their view.

Mr. Knight: I know the minister wants to be fair, and I did state today that it was not my suggestion that the curricula should be interfered with, or that they should be uniform. I did not mean any such thing, and I do not think I said it.

Mr. Gardiner: I was being fair to my hon. friend, because I was not just emphasizing the two things he did say.

Mr. Knight: If I might conclude what I was about to say, I also used the words "grants in order to allow the various provinces to carry on the type of education in which they are at present engaged". Those were my words.

Mr. Gardiner: I was trying to avoid saying what I will have to say now. When my hon. friend rose he pointed out that he did not want anything done that would interfere with the curricula or that would interfere with the control of each province over its teaching staff, and so on. He did not want interference in anything which under our constitution the federal government cannot interfere in now. But in stating why this resolution was necessary and why it should be adopted he called attention to the fact that there are great differences in the curricula across the country. He called attention to the fact that teachers are paid much better in some provinces than in others. Then, just before he sat down, the hon. member for Red Deer (Mr. Shaw), called attention to the same thing and pointed out that the province with the greatest financial ability to take care of its requirements of any of the western provinces, and with ability to do so probably equal to that of any province of Canada, was finding it difficult now to continue paying the present salaries. If that is the case, then I should like to suggest to him that probably if he were to follow the meaning of this resolution, if it has any meaning applied to that, when you average the amount right across the country and take the poorer provinces along with those which are better off, it might not have the result of increasing the salaries beyond the salaries that are now paid in some of the provinces.

Mr. Shaw: May I just point out, Mr. Speaker, that I did not tie it to salaries; I tied it to the entire educational costs. I referred to salaries.

Mr. Gardiner: My friend dealt with the fact that their salaries were $1,200 to $1,500 and that they were higher than in other provinces.

Mr. Shaw: I did not say that either.

Mr. Gardiner: You had better read your speech tomorrow.

Mr. Shaw: I said the average was $1,500 to $1,600 in rural areas.

Mr. Gardiner: That is higher still; $1,500 to $1,600 in rural areas; and he says they are finding difficulty in paying salaries on those levels in Alberta now. The hope is, from his argument, that after they have received this grant from the federal government, they will be able to improve upon that. That was the suggestion of the argument. I am simply saying this, Mr. Speaker: If the second-best-off province in Canada— and I will put it there rather than the top of the list—is paying better schoolteachers' salaries now than they can afford to pay, how are we going to increase salaries right across Canada by getting a grant out of the federal treasury that must come out of the pockets of all the people in all the provinces of Canada? That is one thing that I think we have got to have a little further look at. It is all right to suggest that we are not at the moment talking about spending more money in Canada. But if there is anything to the argument, we are talking about nothing else but spending more money in Canada: spending it for purposes that might be all to the good, but nevertheless it is more money.

That having been said and other things having been said, I think that again we should have a little further look at the resolution before us. I read the resolution a few moments ago; and I indicated that, as far as I could make out, the mover of the resolution was talking about elementary schools and possibly secondary schools; he was not talking about higher education where these grants for research and all that kind of thing are made. He was talking about the very thing that the fathers of confederation were talking about when they were discussing this thing back at the time of confederation. He was talking about the very thing that we have all been talking about ever since. We have assumed that the provincial governments must have the control over the curricula, over the salaries paid, over the hiring of teachers, over the education and training of teachers and all that kind of thing, in a country so varied as Canada is. Then when they came to the conclusion that separately these provinces could not fully finance a system of education or any of the other systems that they had been asked to finance, they decided that the proper thing to do was to give them a per capita grant, grants to take care of their public debt and grants to take care of the other things. They handed them that money and said "Do what you like with it".

Everyone who has supported this resolution this afternoon has been putting forth the argument that we should not put any strings on the money that we give to the provinces.

Mr. Knight: Except for one thing. What I did say was that the only control that I saw necessary was one control that would ensure that the money was spent for the purpose for which it was voted.

Mr. Gardiner: And that purpose is education.

Mr. Knight: Yes.

Mr. Gardiner: Then that is control.

Mr. Knight: Yes.

Mr. Gardiner: As a matter of fact, that is exactly what this resolution does mean. This resolution means that the government is being asked to give all grants to the provinces with this one string on them, that they must be spent for education. Then my friend has given the best demonstration we could possibly get of what members of this house would do if we did that. They would be saying that the curriculum of this province is not as good as the curriculum in that province. They would be saying that the teachers are not paid as much in this province as they are paid in that province. They would be discussing all these questions which he was discussing this afternoon. And I venture to say again that it is the very thing which the fathers of confederation were trying to avoid our having to discuss and which everyone since has been trying to avoid our having to discuss.

Having said that, I am not going to say that the federal government should not do anything more to assist in education across Canada. There has been a way and there is a way; and that way no one has found reason for changing up to the present. When we laid down the basis for grants that were to be made by the federal government to the provinces at the time of confederation, we said they were to be on a certain basis. If I remember correctly—and I am only speaking from memory; I have not discussed this question for a long time—it was about 1907 before we changed that basis materially. They called an interprovincial conference and they changed the level of those grants. Why did they change it? It does not matter whether it was in 1907 or one of the other years in that neighbourhood, but there was the first time when they changed it. And on the occasion when they did change it, it was because costs of these certain things had gone up; and because they had gone up and because there was much more of it to be done than had to be done before, they raised

the grant. They did not say, "We are going to pay a grant to education; we are going to pay a grant to promote mining in a certain area". They did not say, we are going to pay a grant in order to promote this or to promote that, but they said, "We will increase the grant to the provinces." They paid the whole grant to them and then they left it to the provinces to determine how much of it they were going to spend on education and how much they were going to spend in other directions.

I have not any objection—and I am quite sure that there is not any member in the government who would have any—to the suggestion that was made by the leader of the opposition (Mr. Drew) that these are questions that are going to be discussed next September. In the interprovincial conference that is to be held next September the question will be discussed as to whether or not the government of Canada should provide the provinces, through some means or other, with more money than they are being provided with at the present time. One speaker after another has been saying that he used to teach school. I myself taught school for ten years.

An hon. Member: That is too long.

Mr. Gardiner: That is too long perhaps to teach school at the salaries that we had then; I agree with the people who have been arguing that point. But nevertheless I did teach school. I was minister of education in the province of Saskatchewan for a number of years just as the hon. member for Peace River (Mr. Low) was minister of education in the province of Alberta. I may say that I never was minister of agriculture in Saskatchewan, but I was minister of several other things, and one of them was education. This question has been argued right back through the years. But every time it was argued we asked the people down here for more money. When I was there, we were getting about $4 million for all purposes. I think we are still getting that $4 million, although I have not had occasion to examine the records carefully. On top of that we are getting from the federal government somewhere between $13 million and $15 million of money paid into the treasury of Saskatchewan. There has never been a string put on it to say that they could not spend the whole $15 million for education if they wanted to. They have had that extra money. I presume that when they go to the meeting in September there is going to be an argument to the effect that the amount of money that has been paid to the provinces ought to be increased. I do not know whether or not the federal government is going to agree that it ought to be. I do not suppose anyone knows or will know until the arguments are heard. I agree with the leader of the opposition (Mr. Drew) to the extent that, in a thing like this, the question as to whether we are going to change the whole system, under which moneys are made available for all purposes, to one of turning over a certain lump sum of money to the provinces and saying, "That is for education and for education only", is a question which should be considered in September. To come out and say: There is a certain sum of money; now that you have it we expect you to equalize your teachers' salaries with the salaries in every other province; we expect you to teach the same subjects in this school as are being taught in that school; we expect you to turn out pupils that have the same qualifications as in other provinces—that can only lead to trouble.

Mr. Noseworthy: The minister is drawing a red herring across the trail.

Mr. Gardiner: If my hon. friend reads his speech tomorrow he will find out himself that he criticized the conditions that we have in Canada under which our students and pupils from different provinces are not coming out from our school with the same kind of education. I would just ask him to take a look at the house we have here, which is the result of the teachings of the educational systems of all the provinces in Canada.

I venture to say that if you were to take two lawyers, one from one province and one from another, and compared them, you would not find a lot of difference in their ability to deal with the questions with which they have to deal. I think you would find that true even of the chaps who taught school.

Mr. Rowe: What about the Minister of Agriculture?

Mr. Gardiner: There is not so much difference in qualification between those who sit in one part of the house and those who sit in another, or those who attended school in one part of the country and those who attended in another.

Mr. Rowe: What about the Minister of Agriculture?

Mr. Gardiner: When I was minister of education I did not agree that any other curricula or any other system was exactly right excepting the one that I was administering; but I have gone across Canada since then, and I had before that, and I found that each one of the provinces turned out a pretty creditable group of pupils from its schools; and if they have the opportunity to go through secondary schools, one group is just about as

creditable as the other. If they go through the universities, pupils are turned out of equal ability from the different universities. For example, the other night I was invited over to my own alma mater dinner at the university of Manitoba. I found that we could muster quite a group down here who the civil service commission seem to think are pretty good people.

Mr. Martin: They cannot compare with the university of Toronto.

Mr. Gardiner: On another occasion I noticed that the university of Alberta was doing the same thing, as was the university of British Columbia. On each occasion it was found that you could get just about the same number from one area as from another. In addition you found that one group was just about as competent as the other.

As I go around, the only thing I find in my experience is that quite a number have wandered from the maritime provinces to the other provinces, and they seem to get back here by some means or other. Quite a large group of them have graduated from our different universities, but they had their birth down in the maritime provinces. Everyone in this house knows why that is. Down in the maritime provinces they have had some difficulties in establishing industries and other things that are necessary, and large numbers of their population have shifted further west; but it does not make any difference where they started in the elementary schools or where they got their secondary school education or their university education, when they come into this house or into the civil service at Ottawa one group measures up just about as well as another.

For that reason I say there is no use discussing this question from the point of view of making us all alike. If we were all alike perhaps we would not agree as much as we do now. As a matter of fact we agree only because we understand the situation in the area of the country from which we come. We realize that because we have some difficulties there, other people will have difficulties in their areas, although they may be different from ours. But the men who have been trained in the secondary schools and the universities of the different areas are able to represent their point of view and what the difficulties are in their areas just about as well in one section as in another.

I say that for this reason. I agree with what the leader of the opposition said, namely, that the proper place to discuss this question and bring it to a finality as a matter of decision is at the September meeting. I do not see any reason why there should be any great change in the method by which an additional amount of money is handed on to the provinces to be expended. If they are to have control over the expenditure of that money they will surely use a sufficient portion of it to take care of education. Therefore I think that is the time to consider the whole question.

On the matter as to whether or not it is going to interfere with the constitutional relationship between the provinces and the dominion, my suggestion is that we keep this as far away from that discussion as we can. I know of only one way of keeping away from a discussion and at the same time doing the thing that ought to be done, and that is, to make these grants, whatever grants we are to make, to the provinces without tying a string on them and saying: "You must spend this on education; you must spend this on something else." But say: "Here is the money. You know your problems; you understand what ought to be done." When we are speaking from time to time in this house we may say that one province is not spending enough on education, but they will probably tell us that it is none of our business, and they will go right on spending the money as they think it ought to be spent.

If we are to keep our people agreeing with one another across the country and cooperating in doing the things that ought to be done, we had better leave that question pretty well where it is. Since that is the question that the mover of the resolution says we are really dealing with, namely, a discussion of the question as to whether we are going to provide a grant earmarked for education, and thus introduce a discussion every session of the expenditures—whether or not they are being properly spent in order to do this or to do that—I say we had better leave that alone. If we are to pay an extra amount of money let us pay it in a general grant as always and say to the provinces: "Go ahead as usual and spend it." I am going to oppose the resolution.

FLOOD CONDITIONS

VISIT OF PRIME MINISTER TO WINNIPEG—REFERENCE TO REPORT IN OTTAWA "EVENING CITIZEN" OF MAY 22

Mr. J. A. Ross (Souris): On a matter of privilege affecting not only myself but every hon. member in this House of Commons may I say, Mr. Speaker, that in this afternoon's *Evening Citizen* there is an article headed: "Death grip relaxed in Red river valley." I have just returned personally from Winnipeg this morning. This article points out:

One Winnipeg reporter asked Mr. St. Laurent what the "little man" could expect—the man who had lost everything—in way of relief from the federal government.

The Irish temper of the 68-year-old Prime Minister seemed to spark. He replied sharply: "Directly? Nothing."

Now, there is a lengthy article—

Mr. Gardiner: Read it all. He did not say "nothing".

Mr. Fournier (Hull): Why not wait until he is here?

Mr. Speaker: I do not see how this is a question of privilege to be raised at this time.

Mr. Ross (Souris): If you will allow me to read two or three lines further on—I will read it all if I am permitted to.

Mr Speaker: There was no question of privilege.

Mr. Gardiner: On a question of privilege, as long as my hon. friend does not stop where he stopped—I read the article in the paper this morning—

Mr. Ross (Souris): Not this article.

Mr. Gardiner: The paper said that the Prime Minister stated that they would not be paying the money to the small man or to the big man, but any money that they were paying would be paid to the provincial government, and the provincial government would deal with others through the municipalities. That is what he said.

Mr. Speaker: I do not think this is the time to debate this question. If the house wants to hear—

Mr. Martin: Wait until the Prime Minister is here.

Mr. Ross (Souris): It turns out that the Manitoba relief fund is being terribly handicapped by it.

Mr. Speaker: I cannot allow it to be brought up at this time.

Mr. Hodgson: Did you see the article in the *Citizen*?

Mr. Martin: Yes.

Mr. Drew: In view of the fact that the Minister of Agriculture is apparently acting as leader of the government today and has made those comments, may I submit to you, sir, that there is a question of privilege affecting every hon. member. I think every hon. member here had the right to believe, as a result of statements that were made, that certain provisions were being made to meet the situation, and as the report in this afternoon's paper seems to contradict that, every hon. member has a right to know what the policy of the government really is.

Mr. Fournier (Hull): Why not wait until the Prime Minister is here to bring it up?

Mr. Lennard: When will he be here? That is the question.

Mr. Speaker: Apparently there is an article in a newspaper which has quoted the Prime Minister as making certain statements. The Minister of Agriculture has said that it is not a complete statement. In any event I do not think this is the time to state this matter.

Mr. Rowe: May I submit that the house is not familiar with the issue. Hon. members will not know whether it is a question of privilege until the article is read.

Mr. Martin: This is not the time to raise a question of privilege.

Mr. Speaker: Order. I am not accepting the statement which has been read as a question of privilege.

EDUCATION

EXPANDING AND EQUALIZING OF OPPORTUNITY—ASSISTANCE TO PROVINCES

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

That, in the opinion of this house, the government should take into consideration means of expanding and equalizing educational opportunity across Canada by the granting of financial assistance to the various provinces for that purpose.

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, the Minister of Agriculture (Mr. Gardiner) leading the government today has made it clear that he is opposed to the resolution. I presume that is a summons to all members supporting the government to rally against federal aid to education.

Mr. Martin: He said just the opposite.

Mr. Fleming: By the time the right hon. gentleman had finished I had to read the resolution again and recall some of the speeches made this afternoon, because it seemed to me that the resolution itself had been changed beyond all recognition, and that after the description given them by the right hon. gentleman some of the speeches made this afternoon were scarcely capable of recognition.

However, I go by the terms of the resolution—and they are perfectly clear—and also by statements made by hon. members participating in the debate, and not upon the secondhand rehashing of them by the Minister of Agriculture to suit his own purposes in the debate.

This is not a new resolution. It was before the house on October 19, at the last session, and appeared in identically the same form as we have it today. It is unfortunate that at that time little opportunity was given for debate. It came on a Wednesday afternoon, the Prime Minister (Mr. St. Laurent) himself rising at about ten minutes to six and speaking briefly. The matter was not permitted to come to a vote, nor was it permitted to come before the house again at that session.

For my part I welcome the opportunity afforded the house today to pursue debate on this important subject, and I am very happy indeed to hear the Minister of Agriculture, speaking for the government, claim that he hopes to see this resolution brought to a vote today. I cannot think of anything that would be a more healthy occurrence in respect of this resolution than that it should come to a vote. And because I want to do all I can toward contributing to bring this question to a vote today, I shall be brief in my contribution to the debate.

The situation has changed only in two respects since the resolution was last debated on October 19. First, there has been evident in all parts of Canada a greater measure of support for the idea inherent in the resolution than had been apparent even up until that time. The second fact is that, if the deliberations of the Massey commission have any relevance, then presumably we are six or seven months closer to receiving the report from that commission than we were when the house debated this resolution last October. I am not suggesting that the fact that the Massey commission is sitting is a circumstance relevant to the debate at all. I mention this only because the Prime Minister in his brief contribution to the debate on October 19 cited that as a reason why apparently he did not wish to see the subject brought to a vote at that time.

I followed the Minister of Agriculture today with no little interest, and I shall attempt now to do that which he sought to do with reference to speeches preceding his speech in the debate, when he proceeded to state the substance of those speeches. The substance of the speech of the Minister of Agriculture, it seems to me was this, that what is being done now by the federal government and what is being done by provincial administrations in support of education is in all respects good and in all respects sufficient, and that therefore there is no occasion for any change in the present arrangement. With that statement I am in complete disagreement.

Mr. Gardiner: It is your statement, not mine.

[Mr. Fleming.]

Mr. Fleming: The situation is not satisfactory at the present time. It is a misleading kind of artifice in a debate, and a resort to adroit strategem by the right hon. gentleman when he says, "Now, here are the products of the educational system of one place, and here are the products of the educational system of another place; they are just about equal when they get down here." Well, it is a very different thing to compare the qualifications of the graduates of various universities from comparing what is really a proper matter for comparison in this debate, namely the educational opportunities for young Canadians across Canada, from coast to coast.

If ever there was a fine example of drawing a red herring across the trail, then certainly the Minister of Agriculture today has drawn the biggest red herring across any trail that has been seen in this House of Commons for a long time.

Mr. Knowles: And that's saying something, too!

Mr. Gardiner: You are turning Tory, again.

Mr. Martin: The minister was referring to the hon. member sitting to the left of the hon. member who has the floor.

Mr. Knowles: I can still tell a red herring when I see one; and that one really smells.

Mr. Fleming: When anybody sees the light, the Minister of Agriculture should have no objection to people coming out of darkness into light.

The minister sought to suggest that there was some veiled assault upon the autonomy of the provinces in this resolution. What could possibly be more absurd! Everyone who has spoken in the debate this afternoon has prefaced his remarks with the clearest intention to maintain the exclusive legislative jurisdiction in the provinces in respect of the field of education and the institutions connected therewith. No member of the house has proposed directly or indirectly, by statement or by inference, that there is any thought whatever in the resolution of subtracting one iota from the exclusive legislative jurisdiction of the provinces as it is set out in section 93 of the British North America Act.

Certainly it was not a situation calling for the kind of comment that fell from the lips of the Minister of Agriculture. Apparently when he has a weak case the minister, in attempting to buttress that case, comes along with the suggestion—he does not come right out and say so—that somebody is doing something or proposing something in the debate which is in fact the very antithesis of what they have said their intentions were.

Let there be no red herrings from the Minister of Agriculture or any other member of the government on this issue. There is nothing in the resolution that in the slightest degree tampers with the legislative and administrative autonomy of the provinces in relation to education. Jurisdiction in respect of that subject was placed in the provinces by the British North America Act. There it remains, and there it will continue to remain, even if this resolution is accepted today in the House of Commons—as I hope it will be. No one can seriously suggest that there is the slightest intimation in the resolution of any attempt to dictate to the provinces in matters falling within their legislative jurisdiction.

The Minister of Agriculture introduced one further proposal when he said, "This is not the time or the place for a discussion of the question of federal aid to the provinces in matters of education. Reference has been made to the fact that there will be a dominion-provincial conference this fall. That is the place and that is the time to discuss this matter".

Well, that is a new one, coming from the government benches. We did not hear that from the Minister of National Health and Welfare (Mr. Martin) who is taking such an animated interest in this debate this afternoon. It will be remembered that there was quite a debate earlier this session on a resolution introduced by the Minister of National Health and Welfare to deal with the subject of old age pensions and the setting up of a committee. Mention was made of the fact that that was a subject that might well come before the dominion-provincial conference this fall, but that was not treated by the Minister of National Health and Welfare as a reason why that subject should not be discussed in parliament or in a parliamentary committee. On the contrary, the minister seemed to give considerable encouragement to the idea of the discussion of that subject in a parliamentary committee, if I correctly understood him.

Mr. Martin: You correctly understood me, but there is no point in what you are now saying.

Mr. Fleming: If there was a point in it the Minister of National Health and Welfare still would not see it.

Mr. Martin: I am not as intelligent as the hon. member; that is clear.

Mr. Fleming: I extend to the minister my condolences. Here we have these two apostles of an outworn political philosophy sitting side by side at the moment and looking reasonably friendly. But in their expositions of the content of that outworn political philosophy they seem to arrive at precisely opposite conclusions on similar propositions of fact. Here is the Minister of Agriculture (Mr. Gardiner), if you please, who says that parliament is not the place and that this is not the time to discuss the subject of federal aid to education.

Mr. Gardiner: I did not say that at all. Discuss it all you like. I told you how I was going to vote.

Mr. Fleming: I am sorry if I misunderstood the right hon. gentleman. As I understand it now, he, speaking for the government and that vast phalanx over there, says he is going to vote against it and therefore there is no use parliament going on to discuss it. That is a new idea of the autocratic and totalitarian philosophy of the government opposite. Either the Minister of Agriculture is completely at variance with the Minister of National Health and Welfare and with common sense, or he has expounded and in fact is asking the house to subscribe to the simple authoritarian proposition that when the Acting Prime Minister or the leading member of the government of the day says that he is going to vote against a particular resolution then parliament ceases to be the place to discuss that question. Not being able to follow these authoritarian minds in their various processes I still believe that, notwithstanding the fact that the Minister of Agriculture considers that he has doomed this resolution to the limbo of defeated resolutions, this parliament still is the place and this is the time to discuss this matter because it is a matter of great importance to people in all parts of Canada.

The Minister of National Health and Welfare said that there should be an expression of opinion on the part of parliament on a subject in which he was interested and which certainly is bound to come before the dominion-provincial conference, but the Minister of Agriculture by way of contrast says that because he has spoken on this subject he has sounded the death knell of the resolution, and because this matter is coming before the dominion-provincial conference then this is not the place and this is not the time to discuss the subject. The Minister of Agriculture can have his authoritarian and totalitarian philosophy all to himself and let him get what comfort he can out of it before the democratic-minded people of this country catch up with him.

What is at issue in this debate? The aim of the resolution is the equalization of opportunity for all young Canadians across Canada as far as education can do it. It will profit the Minister of Agriculture very little to deny that that is inherent in this resolution.

If he does I can quote him an interpretation of a resolution in identical terms by the Prime Minister (Mr. St. Laurent) who spoke on October 19, 1949, as reported on page 946 of *Hansard*. At that time the Prime Minister said:

> I am sure all hon. members have welcomed this opportunity of focusing their attention upon this assertion, one which certainly appeals to each and every one of us, that there should be across Canada the greatest possible degree of equality of opportunity for the education of our young Canadians, the Canadians of the next generation.

The Prime Minister recognized what was inherent in that resolution. The Prime Minister saw quite clearly that which the Minister of Agriculture has so effectively sought to becloud. What is proposed here and what is the whole purpose and intent of this resolution is to achieve for young Canadians right across Canada equality of opportunity as far as education can equalize opportunity. Let us be quite candid and realize that equality of educational opportunity cannot achieve complete equality of opportunity for young Canadians. I suppose in only a theoretical sense will it ever be possible to have complete equality of opportunity in a world inhabited by humans, but educational opportunity, if it adheres to the principle of equalization, will do much to afford to young Canadians, regardless of the means of their parents and of the section of the country in which they happen to be born and raised, equality of opportunity with other young Canadians.

It is not simply a matter of equalizing opportunity as between the provinces, although that is involved in this resolution as far as it can go. But it does involve the seeking by proper and constitutional means to effect as between individuals that equalization of opportunity so far as it can be brought about by educational opportunity. Apparently the Minister of Agriculture is entirely satisfied. He looks around at the persons coming from the different provinces—he is careful to select those who have had the benefit of higher education—and he says, "All is well". I am sure the minister must have had experiences similar to those I have had, but I think he has forgotten about them.

He and I were born in places about ten miles apart. While I did not have much of my formal education in the county in which the minister and I were born, nevertheless he got quite a bit of his education there. Let us agree that he has made good use of it. When he was growing up he must have seen many youths, as I have seen in my shorter span, who by reason of lack of means on the part of their parents were denied the opportunity of higher education. They were denied not just university education, but in many cases even high school education. Many of those youths I knew might have made just as good use of that educational opportunity as I did, or perhaps even better.

Mr. Martin: You did very well with yours.

Mr. Fleming: Thank you. I tried to take advantage of what educational opportunity was afforded to me, but I should like to see every young Canadian given the same educational opportunity that I was. It was not done without considerable sacrifice on the part of my parents, and I want to make it perfectly clear that there will always be a place for young Canadians to make sacrifices in order to attain the advantages of education. But much can be done that has not been done to afford educational opportunity to young Canadians who are being deprived of such opportunity today, an opportunity of which they could make the most excellent use but an opportunity which they are denied by reason of lack of means on the part of their parents.

This problem has gone far beyond the means of local governments. There has been no little improvement in the scale of salaries paid to schoolteachers in recent years but much of it has been due to the greater assistance afforded by provincial governments. Many provincial governments are today in the position where they cannot go much further in affording assistance in the field of education. That is the reason why aid is required on a constitutional basis from the federal government to assist in providing educational opportunities.

We have made great strides in the field of education in Canada. There is no need for envy when comparing the educational systems existing in the provinces of Canada today with those in other parts of the world. Canada can boast of having given to the world men who are leaders in the field of education, and who can hold their places with teachers and educationists from any other country in the world. There are great benefits to be derived from education. We have good systems in Canada. It is necessary though that aid be given to extend the benefits of those systems to those who are not in a position today to take full advantage of the educational opportunities that our provincial systems are intended to afford.

I wish to express my profound regret that the acting leader of the government, the Minister of Agriculture (Mr. Gardiner), has seen fit to expound so reactionary a point of view as he did this afternoon. In effect he says:

"Everything is all right. Don't do anything. Don't even discuss the problem because I, Sir Oracle, have pronounced upon it."

Mr. MacDougall: Oh, have a heart.

Mr. Fleming: That is precisely the tone of his speech this afternoon.

Mr. McIlraith: No, no.

Mr. Fleming: That is precisely the tone of his speech this afternoon. I gave the Minister of Agriculture the benefit of the doubt. When he said this afternoon that this was not the time and the place I interpreted that as meaning that he felt that this occasion was premature because the matter would be coming before the dominion-provincial conference. He enlightened me, however, on the proper interpretation. He said the reason he had said that was that he had spoken this afternoon. As he has undertaken, so far as he can, to doom the resolution to defeat, it is quite apparent that that was the reason he spoke as he did. I said and I repeat that the Minister of Agriculture meant, "I, Sir Oracle, have spoken, and that is the end of the matter."

Many educationists in this country, and many young Canadians will suffer today and in days to come for what the government has undertaken to say this afternoon through the Minister of Agriculture if government members opposite follow the reactionary lead given to them by the minister. Few more deplorable statements have fallen from the lips of ministers of the government in the house than that which fell from the lips of the Minister of Agriculture this afternoon.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. T. H. Goode (Burnaby-Richmond): Mr. Speaker, we were discussing the following resolution:

That in the opinion of this house, the government should take into consideration means of expanding and equalizing educational opportunity across Canada, by the granting of financial assistance to the various provinces for that purpose.

I doubt whether anyone in this house can speak with authority on whether or not education, from the eastern boundary of our country to the far west, needs financial assistance. It is because of that fact that I do not intend to speak on the educational facilities throughout Canada. I do know something about the local situation in British Columbia, having served on a school board there as late as June, 1949. Because I know of the conditions that prevailed at that time in my own riding, I intend to speak of that situation.

Education

During the latter part of 1949 and the early part of 1950, about 70 families per week entered the constituency of Burnaby-Richmond. This meant that approximately 135 children came into the riding every week of the year. With 30 to 35 children in every classroom, this meant that between 4 and 5 classrooms per week were filled. I know what financial stress that put on the riding, and because of that I am going to attempt to link up the financial situation in Burnaby-Richmond with federal aid for education.

Over a long period of time, and by process of bylaw, we were able to build some schools. In fact, the riding now has about a dozen more, but the result of that put my riding into the hands of the receivers. For some years the constituency was handled by one man until those debts were paid up. Today, through the grace of a good provincial government, we are able to run our own affairs, because that government is putting approximately $35 million per year into education. I believe that is more than the total amount the province of British Columbia should pay to educate our children. Our position on the west coast is perhaps a little different from that of other provinces, because of the increased migration into British Columbia from the prairies and Ontario. In the end, people realize that British Columbia is the ultimate so far as living in Canada is concerned.

During the next five or six years our schools will be overtaxed no matter how we try to keep up with construction. In educational circles it is felt that 30 pupils per classroom is about the number any teacher can possibly handle. In Burnaby-Richmond the average is something like 45 per classroom; at least that is what it was when I left. It has reached the point where no province or municipality can contribute further towards education. When we loaded the elementary schools there was a blank space at the top end. We loaded our high schools with pupils who should never have been there in the first place. Many of the teen-agers going through elementary and junior high schools should never be there, because almost 50 per cent of them do not intend to attend a university. Many of them will not have the financial means to do so. It has been found that most of those pupils should go to vocational schools; that is their proper future. The other 50 per cent—I think that figure is exaggerated—should have the opportunity of ascertaining whether they can get the required marks that will enable them to go to university. Of the 50 per cent who should go to high school, perhaps 10 per cent have parents who can

afford to send them to university. What about the other 40 per cent? I think this is where federal aid for education comes into the picture. This 40 per cent of our young men and women attending high school have parents who are not financially able to send them to university. I believe it should be the ambition of the federal government to inaugurate a series of scholarships that would allow our teen-agers to go to university, should their marks come up to the required standards. I am going to support this resolution, because I believe it is aimed at assisting these teen-agers who are attending our high schools.

Many of the speeches this afternoon have gone far beyond the point the member for Saskatoon (Mr. Knight) intended when he introduced the resolution. I intend to support the resolution because I know that, from the practical standpoint, these young men and women in our high schools who deserve to get a university education are not getting it, because provincial and municipal finances will not allow further aid to education. This afternoon it was said that a lawyer from New Brunswick is just as good as a lawyer from British Columbia, and that a schoolteacher from Nova Scotia is just as good as a schoolteacher from Alberta. I do not see the point of such a statement. I do not think that is what the member for Saskatoon meant when he spoke of equalization of educational opportunity across Canada. I believe he meant an equal opportunity for education for everyone who desires it. Because I believe that, I still want to refer back to these young men and women who are attending high school. When hon. members are speaking tonight, or when they are voting, I wish they would remember that their vote will either help these young people or allow them to remain in high school until grade XIII, at which time they will go out into the world with nothing more than senior matriculation, and that does not mean very much in this day of specialization.

I want to put the cost of education in British Columbia on the record, Mr. Speaker. Within the last few days the provincial minister of education gave me the figures, and for the school year 1946-47 the cost was $20,100,000. In 1947-48 it rose to $25,750,000; in 1948-49, it was $35,500,000. The provincial share of those total costs was as follows: 1946-47, $9,500,000; 1947-48, $12,500,000; and in 1948-49, over $17 million, which is approximately 15 per cent of the total budget.

I contend, Mr. Speaker, that no province can stand that strain on its financial resources without some help from the federal government. I believe too that without that federal help the municipality of Burnaby will again be in danger of going into receivership in the near future. Although we have a good municipal administration in that district, with the strain of the cost of education on Burnaby-Richmond at this time, I do not think it is humanly possible for the council to bring to fruition the educational ambitions of our people. I intend to support this resolution.

Mr. J. W. Noseworthy (York South): When the history of this century comes to be written, Mr. Speaker, the one theme that will run through the story of the first half of it, and possibly through a large part of the second half, will be the struggle of the democratic world against dictatorship. History will record how, in the first half of this century, the democratic countries fought two world wars to preserve their way of life, to preserve democracy from being overthrown by dictators. It will record how at the present time, in these years, democratic countries including our own are spending up to half of their government revenue in order to maintain their defences against dictatorship. When that history comes to be written it will show that the one great ally on the side of democracy, the one ally that will in the long run help to preserve democracy, is education. Writing on the subject of education, Horace Mann, who is known through the world as one of our greatest and most progressive educationists, has this to say:

> If ever there was a cause worthy to be upheld by all of toil and sacrifice that the human hand or heart can endure, it is the cause of education. It holds the welfare of mankind in its embrace as the protecting arms of a mother hold her infant to her bosom. The very ignorance and selfishness which obstruct its path are the strongest arguments for its promotion, for it furnishes the only adequate means for their removal.

Those of us who believe in democracy and are concerned to see our way of life eventually succeed over dictatorships cannot but be concerned about the whole question of the education of our citizens. In the modern world, dictatorships today rely on terror methods, on a controlled press, on the denial of information to the people, and on the subordination of the thoughts and actions of the masses to the purposes of ruling cliques or individual despots. On the other hand, democracy rests on the emancipation of the human spirit, on individual freedom, on education for private living and for social participation. The character of our citizenship is determined to a great extent by the nature of the education which those citizens receive.

As has been said already in this debate, while education in and of itself does not make good citizens, nevertheless outside the home and the church there is no greater

agency in this country for helping to build citizens than that of our schools. The character of Canadian citizenship is, apart from the home and the church, basically fashioned in the schools of the nation. When we speak of citizenship being fashioned in the schools of the nation, we think first in terms of the elementary school; second, in terms of our secondary or high schools; and only third, in terms of our centres of higher education or universities. The elementary school is basic; it is the first and most important of all. One reason for that is that there are still many thousands of our children who never get beyond the upper grades of the elementary school or who at best never get beyond the lower grades of the high or secondary schools. The elementary school is the one centre that our children who attend school at all have an opportunity of attending. In the second place, it is in the elementary school that the children are passing through their formative years. It is then and there that the foundation of socially approved attitudes and of good citizenship are firmly laid, if they are to be firmly laid at all.

It is because of the importance of education in a democratic country, because of its importance to the very survival of democracy in today's world, that education down to the level of the elementary school must become the concern of our federal parliament. No federal parliament that has any understanding or appreciation of the vital importance of education to the survival of our way of life can afford to let any question either of jurisdiction or of economy stand in their way in this vital matter.

Since the foundations of good citizenship are to be laid in our elementary schools and reinforced in our secondary or high schools and our universities, every province in Canada must be financially capable of providing teachers of high personal qualifications and extensive training. To the men and women who are to do this job which is so fundamentally vital they must be in a position to offer remuneration in line with that which is offered by commercial and industrial concerns. It is far more important to the well-being of this nation that we have capable and adequately-trained personnel in the classrooms of our schools than in our offices and factories. It is a national calamity that only second-rate and partially-trained personnel, paid third-rate salaries, is often all that can be secured to staff these classrooms in which such a vitally important job is to be done.

It is a national tragedy that that should be the situation in so far as our schools are concerned, whilst industry and commerce, where visible monetary profits prevail, can outbid school authorities at every level in securing at much more remunerative rates the best trained and most capable personnel. And even more deplorable than this is the fact that nowhere in Canada can educational authorities compete with industry and commerce in remunerating their personnel. More deplorable than that is the fact that such educational opportunities as are being offered to the children of this country vary, as has already been said, very widely from one municipality to another and from one province to another.

The disparities in ability of individual provinces to supply and equip suitable buildings, to train and pay suitable teachers, to provide suitable programs of diversified education are all too well known, too widely recognized to require elaboration. By and large in this country today the educational opportunities afforded to children of any province can be measured in the amount of money per pupil spent by that province on education. There are other factors, but as a rule the best measure we have today of the quality of education that our children are getting in the various provinces is the amount of money that these provinces are paying per pupil. What is also true is that expenditure in the Canadian provinces varies very directly with the individual or personal income of the people of that province. I will give figures for 1946, the last year for which I have them. In 1946 Prince Edward Island had an average personal income, based on the school population, of $3,000. In that year that same province, which had the lowest personal income per pupil of any province of Canada, also spent the least money per pupil on her schools. In that year she spent $45 per pupil on education. In the same year British Columbia spent $115 per pupil as against Prince Edward Island's $45, nearly three times as much. Notwithstanding the fact that Prince Edward Island spent only $45 and British Columbia spent $115, both provinces made practically the same effort on the basis of that income.

British Columbia spent on education $1 out of every $63 of personal income received. Prince Edward Island spent $1 out of every $68. Here were two provinces each putting forth practically the same effort, paying the same percentage of their income on education, one province able to provide $45 per pupil, the other with no more effort on their part able to pay $115 per pupil.

Education

In the same year, making another comparison, New Brunswick spent $1 out of $53 personal income, and Ontario spent $1 out of every $55. In that year and on that basis Ontario was able to pay $116 per year per pupil on education; while New Brunswick, making the same comparative effort, was able to pay only $60 per year per pupil. To give a still further illustration in the same year, Saskatchewan paid $1 out of every $34 personal income on education; Alberta $1 out of every $36. Their sacrifices or their efforts based on the personal income of their citizens were almost the same, yet these provinces were paying slightly less than either Ontario or British Columbia who were paying $1 out of every $55 and every $63. Here were two provinces paying $1 of their personal income out of every $34 and $36 and yet they were not able to spend on education on that basis as much as Ontario and British Columbia were spending, who were spending only $1 out of $55 and $63.

If as a nation we in Canada are to pay anything more than lip service to the democratic principle that is involved in the term "equality of educational opportunity", then we must find some means whereby educational facilities in the smaller and poorer provinces can be raised to a level that is suitable to the whole of Canada.

It is not necessary that the education should be uniform. No one who believes in federal aid for education has ever suggested that we should have a uniform system of education across Canada. All we have been maintaining for twenty years is that from federal resources there must come the means whereby those poorer and smaller provinces at least can bring their educational standards up to that which will be suitable for all of Canada.

Federal aid to education as implied in this resolution is the only means I know of whereby that thing can be achieved. This is important. The kind of education that boys and girls in one province get is of interest to every other province in Canada. The mobility of our people in Canada, where one out of every three moves from the province in which he is educated into some other province and becomes a citizen of that province, makes it essential that the nation as a whole should assume some responsibility for seeing that an adequate standard of education is maintained in all our provinces.

On this point the Rowell-Sirois report has this statement to make:

> The most economically distressed areas are the ones least capable of supporting these educational services, and yet are also the ones in which the needs are likely to be greatest. Not only national duty and decency, if Canada is to become a nation at all, but equity and national self-interest demand that the residents of those areas be given average services and equal opportunities.
>
> In the modern age contact and intermingling of the population between favoured and unfavoured regions is bound to occur. The more fortunate areas cannot escape the pressure on their standards and the effect on their people; in this case prevention, in both fiscal and human terms, is much cheaper than the cure.

I believe I should pause here to say that the teachers federation, home and school clubs, trustees associations from all across the country, and numerous other organizations, have for many years been pressing for government aid to education at the elementary as well as at the secondary and university levels. The government's reluctance, as indicated this afternoon by the Minister of Agriculture (Mr. Gardiner), to support elementary and secondary schools is usually ascribed to the alleged limitations imposed by section 93 of the British North America Act. That section states that in and for each province the legislature may exclusively make laws in relation to education. Those of us who support federal aid at the elementary and secondary school levels feel that there is no conflict whatever with that clause, which gives the provincial legislatures the exclusive right to make laws in relation to education. There is no conflict in the federal government giving financial support.

It is quite clear from the act that its intention was to place the administration of education under provincial jurisdiction. Most authorities on constitutional law and on education are agreed that financial assistance can be given in such a way that it need in no way whatever encroach upon provincial administration or provincial rights. The report of the Alberta royal commission on taxation in 1948 supports this position, because at page 65 of that report we read this:

> There are nine provinces in Canada, each with an educational standard which is within its ability to support. Some no doubt can establish a minimum standard of education beyond the reach of less favoured provinces. The most economically distressed areas are the ones least capable of supporting education and yet they are the ones in which the needs may be greatest. It appears to the commission that there is a place for interprovincial equalization of educational opportunity. This would mean the creation by the dominion government of an interprovincial equalization fund to be distributed among the provinces according to need for the purpose of providing equal educational opportunity to all the children of all the people of all the provinces.

Then the royal commission goes on to say:

> The commission if of the opinion that there is no legal hindrance to the dominion in establishing such a fund and further the commission believes that no infringement of the rights of the province need take place in the administration of such fund.

The Minister of National Defence (Mr. Claxton) appears to be of the same opinion—at least he was of that opinion in 1945, when he took part in a public debate in Montreal, held under the auspices of an educational association. On that occasion he was reported as having said:

> But the constitution does not prevent the federal government from giving substantial assistance to education. Direct assistance might be given in different ways.

I do not know whether he has changed his point of view on that matter since or not. In the brief submitted by the government of Saskatchewan to the royal commission on national development in the arts, letters and sciences, they go much further and say:

> It is submitted that even if the British North America Act were inconsistent with federal financial participation in general education, the federal government should, in the interest of the national welfare, find means of making such participation possible.

The federal government has given valued assistance in many special aspects of education. In a speech in this house on November 5 of last year I reviewed the entire field and pointed out the extent to which the different departments of government and the various government agencies were already contributing to many specialized phases of education. For instance, the government is helping finance health education across the country. The government is helping finance physical fitness education. It is helping to provide scholarships at the university level. Health education and physical fitness education are subjects which are taught in the elementary schools of this country. Many of the scholarships given by the federal government are given to pupils who are pursuing arts courses in our universities. These arts courses do not specifically qualify students for particular professions such as medicine, law or engineering. In these courses the students receive a general education, and they are assisted in that by the federal government. As a matter of actual fact the federal government is today in the field of education at the elementary and secondary as well as at university levels. Regardless of any limitation which may be placed upon the government by reason of the British North America Act, this government has already entered that field.

There appears to be no constitutional barrier to prevent the same government from bearing a share of the financial responsibility for general elementary and secondary school education. In either of those fields the government can give much more effective help to future citizens of this country.

I submit that financial assistance to general elementary and secondary school education would not only be more effective but would be much more democratic than the aid being given in specialized fields by the present government, and on the dollar-matching basis. The dollar matching basis on which money grants for specialized educational services are given today is predicated on the proposition that to him who hath shall be given. It is most helpful to the wealthiest provinces while the provinces in most direct need of assistance find it difficult to match the federal grant dollar for dollar. In many instances the less fortunate provinces cannot take full advantage of these grants and at the same time maintain a maximum effort in the field of general education. There is always the danger that in attempting to avail themselves of federal money they may jeopardize the welfare of children in the field of general education.

When the Minister of Agriculture (Mr. Gardiner) suggests that the only way in which the federal government can assist education is by making grants to the provinces to do with as they please he is just not being realistic. That is not the way in which this government is making and has in the past made grants in aid of education and in aid of many other services. The money given to the provinces for health services and hospitalization is not given to be spent as they please; that money is given to the provinces for a specific purpose, to be spent for a specific purpose. The money given to the provinces by this government as a contribution toward old age pensions is not given to be spent as the provinces please; that money is given with a string on it, and that string is that the money shall be spent for old age pensions.

The money that is given in the form of grants to technical schools and which has been of great importance across the country is not given to the provinces to do with as they please. These grants are given with a string attached, that the money must be used for specific purposes. When the Minister of Agriculture suggests that we are introducing a new principle, that there is to be a changed procedure, he is not being realistic, nor is he facing up to the situation that actually exists in connection with grants made to the provinces for these various purposes.

I suggest, as have other speakers, that this house should adopt this resolution as a starting point before the dominion-provincial conference meets in the fall. Educational authorities, both provincial and municipal, have asked that this subject be placed on

the agenda of that conference. I suggest that we adopt the resolution, which is that the government be prepared to give consideration to this whole question, the details to be worked out at the dominion-provincial conference.

Mr. D. S. Harkness (Calgary East): Mr. Speaker, I shall take only a minute or two, not because this subject is not important but because I am anxious to have the motion come to a vote. I hope the resolution will be passed tonight. I think the inequality of educational opportunity which exists in Canada is admitted by practically everyone. A great deal has been said today about inequality which exists as between provinces, and I shall say no more in regard to that, but in my opinion even greater inequality exists as between the urban and rural areas.

I think the provinces could do more than they have done to remove that type of inequality. It costs a considerable amount of money and a good deal of progress has been made in providing more opportunity for children in rural areas, particularly in the newer areas located long distances from towns and where the children are under serious disadvantage. We should do our utmost to remove that type of disadvantage.

Of course the attainment of complete equality of educational opportunity is just not possible. However, the ideal of complete equality of opportunity is one that we should always keep before us and constantly work toward. The desirability of some equalization of opportunity is almost universally admitted, although this afternoon the Minister of Agriculture (Mr. Gardiner) seemed to have some doubts about it. He appeared to try to give the house the impression that the people who were supporting this resolution, the people who were working toward federal aid for education wished to have the federal government control the curricula in the different provinces and make all of us alike. There is no thought of trying to make people in one part of Canada a carbon copy of the people in another part. The giving of federal grants to the provinces to help them with their educational problems need not and I do not think will work toward that end.

Let me give an example. The same amount of money might be spent on obtaining an education in a higher institution of learning but yet turn out totally different products. One man might want to specialize in history and spend five, six or more years attending university and taking post-graduate courses. Another man might go in for moral philosophy. Those two men get totally different kinds of education and it would be a brave man indeed who would say that the one was better educated than the other. You

can have the same sort of thing on the provincial level where one province has a different curriculum from another, yet excellent results are produced in each province.

At the present time the main burden of providing for junior and secondary education falls on the property owner in the city or country. That burden has become constantly greater and has now reached the point where in a large number of municipalities it is not going to be possible to increase it very much. Some of the provinces have given a certain amount of help but the provinces have limited sources of revenue and in some cases, probably, not a great deal more help can be given.

Under those circumstances the only means by which a further equalization of educational opportunity can be accomplished is by federal grants to the provinces for that purpose. In my opinion there are three ways in which the federal government could aid in connection with the whole question of education. The first is by means of direct grants which the provinces could use to improve their educational set-ups. The second, which has been mentioned already, is by way of scholarships. This form of aid is being carried out to a certain extent at the present time by way of fellowships granted by the national research council. However, a great deal more could be done in that connection, particularly in the way of training nurses. Assistance in this connection could be provided by grants from the dominion government. At the present time there is a definite shortage of nurses in Canada, and from what I can learn the number of girls entering nursing schools is not nearly sufficient to meet future demands. Having in mind the national health schemes about which the Minister of National Health and Welfare has been talking, that is one way in which some direct aid can be given immediately so far as training and education are concerned.

A third way in which the dominion can help in educational matters is by dominion operated and financed schools. This is not a new idea. We have had dominion operated schools in this country for a long time. I refer to the Royal Military College at Kingston, and its counterpart on Vancouver island, Royal Roads. These dominion schools give specialized training to people who hope to enter the permanent forces of Canada as officers. In addition to military training they provide an extremely good general education. In my opinion that principle should be more widely followed. There is just as much necessity in the national interest for certain other specialized types of schools as there is for the military schools which we now have. Certain types of education and training attract a very small number of people, and there is probably need in Canada for only one

school of that type. Where that situation exists it seems to me that the proper body to operate such a school is the federal government, and it should then permit people from all parts of Canada to attend by means of scholarships.

Something has been said about the supply of teachers, and I should like to say a word on that matter. In the province of Alberta there are a considerable number of schools for which there are no teachers, and the same situation exists in other provinces. Children are taking courses by correspondence, and of course there are unqualified teachers in a large number of schools. The shortage of teachers will increase rather than diminish as long as the present scale of teachers' salaries continues. You cannot expect to attract to the teaching profession the type of men and women needed in that field when the scale of remuneration is considerably less than that of a good carpenter or bricklayer at the present time even for the higher paid members of the teaching profession, to say nothing of the lower paid members who of course receive a great deal less than a skilled workman of any kind. In order to secure for the teaching profession the type of people required and to keep them there after they have been secured, there is no doubt that teachers' salaries must be increased. The time has come when that increase can only take place through the use of federal funds to some extent in aid of education.

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, I think that members of the house will all agree that the discussion introduced by the hon. member for Saskatoon (Mr. Knight) has given us an opportunity to focus our attention on a matter that is of great interest in the country. I think, however, that it would be well at this time to point out that, while most of the speakers have directed themselves to the general purposes which the hon. gentleman had in mind, not all of them have directed themselves specifically to the actual terms of the resolution before the house. For that reason, it may be useful to recall to hon. members what the actual terms are. It provides:

> That in the opinion of this house, the government should take into consideration means of expanding and equalizing educational opportunity across Canada, by the granting of financial assistance to the various provinces—

These significant words should be noted:

> —for that purpose.

What do the systems of education in our ten provinces involve? They involve the teaching of our children in four categories of education, in some provinces the kindergarten, in all provinces the primary school, in all provinces the secondary schools, and in all provinces colleges and universities. The policies of education in those fields deal not only with curricula and salaries of teachers but with a whole series of questions which would have to be considered if any proper appraisal of the extent of the financial assistance proposed were to be taken into account.

I think it is important to bear these facts in mind. The hon. member for York South (Mr. Noseworthy) spoke of the assistance now being given by various departments of the federal government. I will come to that later. What I want to point out is that the kind of assistance which he has outlined is not the kind of assistance envisaged by the resolution. We are asked to provide ways and means of expanding and equalizing educational opportunity by the granting of financial assistance to the various provinces for that purpose. The grants that are made in various fields now by the federal government are not made for that particular purpose. They are made for specific purposes, and the resolution does not deal with specific purposes. It deals with the whole question of education in its generalized form.

Apart altogether from proceeding with the consideration of this matter in an orderly way, there has been appointed, as has already been mentioned in this debate, the Massey commission. In speaking about the Massey commission the Prime Minister (Mr. St. Laurent), expressing the view of the government on February 3, 1949, stated:

> We feel that survey—

He was referring to the survey to be undertaken by the Massey commission.

> —can be made most effectively by a group of Canadians who are independent of the government. That is why we are going to set up the royal commission I mentioned earlier.

Having in mind the character of the briefs that have been placed before the Massey commission from the universities' conference, the secondary school teachers association and other bodies interested in education, of what value and significance would it be for us, covering this wide field of education, to exercise at the present time a judgment in respect of a matter which certainly has not been finalized in the judgment of the Massey commission?

Mr. Noseworthy: That is stalling.

Mr. Martin: When my hon. friend spoke I listened to him with great attention. I know he is going to give me the same kind of attention because I propose to deal with the matter as seriously as I know how. Speaking on this question some time ago

the Prime Minister said that we recognize the importance of this matter. He used these words at page 946 of *Hansard* of October 19, 1949:

> Personally I have no doubt that it will be necessary to find some way in which these institutions can continue to be supplied with that which is necessary to them to maintain that high standard in their educational activities.

Mr. Smith (Calgary West): What institutions?

Mr. Martin: The institutions of learning covered by the resolution then before the house, and which is again before the house today.

Now I mention that statement because the speech of the member for Eglinton (Mr. Fleming) lends itself to the interpretation that, because the Minister of Agriculture speaking for the government today had indicated what we thought should be the way in which the resolution should now be treated, we on this side of the house were not interested in education. Those were practically his words. Surely, that cannot be substantiated by the statement which I have just read from the Prime Minister, from the speech which was made this afternoon by the Minister of Agriculture (Mr. Gardiner), and from what I know must be accepted as the common view of every member in this house. We look upon education as one of the fundamental requirements of our Canadian society.

In his speech this afternoon, the leader of the opposition—if he would allow me to say so, I thought it was a good one—told us he preferred to give the resolution the interpretation which he wanted; that was his right. He went on to inform the house that we are to have a dominion-provincial conference in the autumn of this year, and this matter should be considered at that time. In that connection, I looked up the words the leader of the opposition uttered when this resolution was discussed last session. Those words deserve repetition tonight. At page 942 of *Hansard* for October 19, 1949, he said:

> For that reason I have stressed, both in this chamber and elsewhere, the urgent necessity of calling a dominion-provincial conference to consider the whole relationship between the dominion and provincial governments so the financial requirements of the provincial governments for all purposes may be fully considered and the amount required to provide adequate educational opportunities may therefore be determined with some knowledge of what is required by each province for that particular purpose.

Surely that is the underlying reason why the attitude taken by the government in this matter should be supported. There is to be a conference at which this matter may be discussed. No hon. member tonight has suggested a particular plan for giving financial assistance to the provinces, beyond the mere general declaration that, because of the high cost of education, some financial assistance should be given.

Then, in that same debate, the leader of the opposition made this statement at page 943 of *Hansard*:

> I can say most definitely from my own experience—

And he had experience as minister of education in the province of Ontario.

> —that the fact that the attempt was made in this case to exercise control by an indirect method is an indication that, in providing for grants of this kind, there must be a definite understanding that the independence and discretion of the provincial departments of education will be retained, no matter what the amount of the grants may be.

He was referring to the grants in aid of physical fitness. This raises the important question of jurisdiction.

Mr. Smith (Calgary West): You will have to vote for the resolution after what you have said.

Mr. Martin: That raises the important question of jurisdiction. Some hon. members say that a mere grant in aid, not given for a specific purpose, is not an interference with section 93 of the British North America Act, which assigns to the provinces exclusive competence in matters of education. Having in mind the very caution which the leader of the opposition asked us to note; knowing what was said in this house in the debate last fall when this subject was discussed; recalling the words of the premier of the province of Quebec; knowing how jealously, and properly so, the provinces regard the education field; if this resolution were passed in the form in which it is now before the house, we would create in the minds of the people in several provinces the definite judgment that matters, which at the conference last January were regarded as being included among those rights which were to be entrenched, were likely to be invaded by the central government. Under no circumstances should this parliament do anything which would give any section of our population the impression, rightly or wrongly, that we intended to adopt functions and policies that would violate one of those entrenched rights, education.

Mr. Gillis: Entrenched is right; dug in solid.

Mr. Martin: My hon. friend may take that view, but the fathers of confederation laid down the dogma, if you will, that education was a matter for the provinces. Anyone who would interfere with that, after considering the character of this federal state today,

would be doing a great disservice, not only to the cause of national unity but to the cause of education itself.

Let me give an example of the importance of this. All of our provinces have now entered into an agreement with the dominion government with respect to the National Physical Fitness Act, under which grants are made to the provinces to enable them to carry on the work of recreation, handicrafts, and so on. One province has withheld its decision about entering into such an accord. Why? On the ground that in its judgment it jeopardizes the position granted to the province by the B. N. A. Act, and even collaboration on this level is construed by them as an invasion of a field specifically given to them in the British North America Act.

An hon. Member: Do you agree with that?

Mr. Martin: I do not agree with that interpretation, and it is because I do not agree with that view that I have made a distinction between the grants in aid we are now making and the kind of financial assistance which is suggested in the terms of this all-embracing resolution.

Mr. Smith (Calgary West): Explain.

Mr. Martin: My hon. friend says "explain". Have I not make myself clear? This resolution as it now reads calls for financial assistance, but not for a specific purpose; it calls upon this parliament to take ways and means, without reference to the provinces, to do a perfectly laudable thing, to equalize educational opportunity in Canada. The resolution calls for just that. It does not request us to sit down with the provinces and discuss the desirability of giving them financial assistance in providing an opportunity for improved education, or to help them formulate a policy, or to discuss financial assistance in the whole field of education. Speaking personally, I am not saying that that might not, in some respects, after consultation with the provinces, be a good thing. What I am saying is that to do that merely by the present resolution would be injurious to the national unity of this country.

I know something of how jealously some provinces, and some groups within each province, look upon education as something that has a provincial character, and consequently one that must be so strong in its text as not to permit violation or intervention from a government outside of the province. It is because of that that I think a distinction must be noted between what is desired and how that desire may be realized.

Mr. Fleming: Will the minister permit a question? Does the minister recall a statement made in a speech in Montreal several years ago by his colleague, the present Minister of National Defence (Mr. Claxton), in which he said:

> The constitution does not prevent the federal government from giving substantial assistance to education. Direct assistance might be given in different ways.

Mr. Martin: I do not disagree with that statement at all, but that is not what this resolution calls for.

Mr. Fleming: It is, precisely.

Mr. Martin: I am going to deal with that. My hon. friend said there was a difference between the attitude taken by the Minister of Agriculture in this matter, and the attitude I took with regard to another matter now before a committee of this house. Surely, that is not an analogy at all. The matter which is before the other committee is one over which this parliament not only has the right to exercise jurisdiction, but actually does exercise jurisdiction in co-operation with the provinces. The terms of the resolution as it is now before the house do not call for specific grants within the meaning of the definition given by the Minister of National Defence in the speech he made in Montreal.

Mr. Knight: What would happen to this resolution if I had made a specific recommendation for the expenditure of money for federal aid?

Mr. Knowles: Answer that one.

Mr. Martin: Perhaps before I am through I might suggest to my hon. friend that the resolution, if it had been couched in different language, might have provoked a different reaction. My hon. friend laughs, but that is what I honestly believe to be the case.

An hon. Member: Not from you.

Mr. Martin: There is not anyone in this house who does not want to see the children of this country given the best of educational opportunity. There is no one in this country or in this house who does not want our children to receive, regardless of his or her financial status, the best education possible. In that connection, in spite of the limitations of our educational systems in this country, I think we have every reason for being proud of our achievements. The work that is carried on by the primary schools, by the secondary schools and by our colleges and universities deserves the commendation of every member of this house, as it is freely given. One recognizes the inadequacy perhaps of the income paid to certain teachers in certain sections of the country. Those are all problems that one recognizes; and the fact that

one points out that under the constitution the responsibility for adjustment of those matters resides with the provinces should not and cannot fairly be taken as being opposed to what undoubtedly the hon. member had in mind but which, in actual terms—if I may say so with respect—he has failed to state. It should not be forgotten that for specific purposes we are now doing a great many things in aid of education in one form or another. But for specific purposes nothing that has heretofore been done has been done with the purpose of formulating policy or of dealing with the basic fundamentals of education in any province, but by way of supplemental assistance for specific purposes.

This afternoon the leader of the opposition (Mr. Drew) spoke of the need for research and in what he said I fully concur, as I am sure every other member of the house will. The work of the national research council in varied fields is a work that assists in a supplemental way the work carried on by our higher institutions of learning in this country. The work of individual departments of government; the encouragement of research in a particular field by the Department of Resources and Development and by the Department of Agriculture; grants given in aid of technical education in this country; the student scholarships under dominion-provincial agreement carried on under the operation of the Minister of Labour (Mr. Mitchell); the training opportunities given to veterans, some 133,000 of them, to improve their college and university training as well as to give them vocational training—those are all various steps that indicate the great contribution that is made by the federal government of Canada for the purposes of supplementary education for specific purposes, and I underline the words "specific purposes", to point out that there is a distinction between grants in aid for a specific purpose and a resolution so all-embracing as this particular one is.

Then there are the grants for social work by the Department of National Health and Welfare; the vocational training grant; the grant for physical fitness; the national research council grant for general purposes, not only for industry, not only for physics, not only for the pure sciences but for medicine and so on. These grants are indeed of a significant character. The national research council fellowships which enable hundreds of our best trained scientists to carry on their research projects in this country at our universities and colleges are a definite contribution in a supplementary way to the cause of education in this country.

I particularly have an opportunity of knowing something of the working of these grants or these fellowships under the medical division of the national research council. Under the national health program there has been tremendous assistance—in restricted fields, admittedly, and for specific purposes—to over 2,000 individuals in the past year and a quarter. The hon. member for Calgary East (Mr. Harkness) spoke a moment ago of the need of professional training for nurses. As we know, under the national health program one of the grants is for that very purpose, and under that grant a great number of individuals have received nursing training, and occupational therapy training; and a whole series of other training programs have been accorded to nurses and to persons in corollary positions under that grant. There is the grant under the national health program that is given to assist students who are studying psychiatry and who are taking a psychology course such as the one that is being carried on at the university of Toronto, and McMaster university. Those are all significant grants that are being made to the cause of education.

When one thinks of the provision that is made under that program for the purchase of teaching equipment, in thousands of dollars in every one of our provinces, one cannot ignore the fact that this is an important assistance to the cause of education. The amount of money that has been given to the provinces under this program for the purchase, for instance, of motion picture machines alone in order to carry on visual education, would run into many thousands of dollars, and must all be regarded as a significant contribution for a specific purpose to the cause of education. The fact that moneys have been given to assist teachers to carry on certain of these courses is not without its significance. The grants made for research under the public health grant, under the t.b. grant, are all grants made in aid of research and extremely important research. Two years ago, on the medical side, there was not more than about $5,000, apart from the national research council grants, given by the federal government in aid of medical scientific research. Today there is almost $2 million available, through this program or through the national research program, by which medical research is carried on. In the field of cancer—an important phase of the work carried on by our medical schools, and that is part of our job of education—two and a half years ago there were three fundamental cancer projects only under way. Today there are over eighty-one as a result of this program and of the assistance given to it by the provinces. Apart from the grants that are made under the specific grants, there is the research grant in this year in the amount of $300,000 which is allo-

cated for the specific purpose of medical scientific research. All these things are not without the greatest value. Any hon. member can today go to McGill university, to the university of Montreal, to Western university or to the university of Manitoba, and he will find there that extremely important research is going on with regard to cortisone and ACTH, two of the most important drugs to appear within the last decade and a half. These are all significant contributions that are entailing tremendous expenditures on the part of the people of this country, all part of the program of assistance supplementarily given to the provinces in respect of matters of research which but for this assistance would in all probability in most instances not be carried out at all.

Then there is another important contribution made by the federal government with respect to education. I am sure the leader of the opposition will agree with me when I say—and he has had experience as minister of education—that after the introduction of family allowances in the province of Ontario, as in other provinces, the school attendance was in greater measure than at any time before in the history of this province. I have been told by the ministers of education in at least four provinces that as a result of the introduction of family allowances the statutory requirement has been lived up to to a greater extent—in one case the figure was 14 per cent higher—than before family allowances were introduced. One should not just accept these family allowances as having merely a social benefit. They have a great benefit in terms of giving the parents the opportunity of keeping their children at school until the statutory school age is reached, and that is a result of great importance.

This year we are spending over $300 million in family allowances.

Mr. Diefenbaker: In what province was that?

Mr. Martin: In the province of Prince Edward Island.

Mr. Smith (Calgary West): They both went to school.

Mr. Martin: That province has a very great educational achievement in spite of its small population.

The family allowance can be regarded as an assistance to education in a way that does not contravene the constitution of our country. The books, the clothing, the nutritional opportunities, all of which enable the child to continue at school, surely must be regarded by this house as a definite contribution towards buttressing the systems of education that we have in our country. Therefore, Mr. Speaker, I am sure that I express what might be regarded as the reconsidered views of even the hon. gentleman who introduced this resolution when I say, in the language of the Prime Minister of this country (Mr. St. Laurent), speaking in this house on this same motion on October 19 last, as recorded at page 947 of *Hansard*:

> I should think it would be wise not to attempt to determine with any degree of precision how the purposes can best be served until we have—

—heard from the Massey commission, and I would add, using the direction given by the leader of the opposition (Mr. Drew), until we have had an opportunity first of sitting down and discussing these matters in detail with those jurisdictions of government which, under the constitution, have the exclusive responsibility in matters of education.

Mr. Rodney Adamson (York West): Mr. Speaker, I want to say a few words on this resolution, which I support. No fewer than five school boards in my constituency of York West have passed resolutions and written to me on this very matter. The costs and the problems of education in the densely populated and rapidly growing urban municipalities of Ontario require immediate and most urgent consideration from the federal administration.

To give the federal government some idea of their responsibilities, expressed on a cash basis, may I say that in the next few years the suburban municipalities around the city of Toronto will probably have around 10,000 new houses erected by the federal government agency of Central Mortgage and Housing alone. This depends on a number of factors which I will not go into at the moment; but that is the sort of problem and the size of the problem with which we are faced.

Let us look at what this means to the urban municipality and to the school boards. In the next four or five years 10,000 houses will be built in suburban Toronto under the auspices of the federal housing authority. That means that there will be in the neighbourhood of 20,000 children of school age who will require 400 school rooms. The cost today of an individual school room in central Ontario, or in Toronto, runs anywhere from $35,000 to $50,000, depending upon whether it is a primary school or a technical school. That will mean for the national housing project alone an expenditure of some $16 million for schools. The municipalities are in no shape financially to meet this capital cost. What will happen is simply this. You have your federal government assisted houses and you have another group of houses infinitely greater than the federal government assisted houses which in the next five or ten years will probably entail an expenditure approaching $50 million in the Toronto

area alone for new schools. That is new capital for new schools.

The mayor of Toronto has said that today municipal taxation has reached the absolute bearable limit. I would say that if municipal taxation goes up you will begin to have a destruction of the value of real estate either in terms of value or in the security of tenure.

In my opinion the federal government has a direct responsibility for the results of its action in building these housing schemes. Today you cannot build houses without due recognition of the problems of servicing them. One of the most expensive problems of servicing houses is looking after the educational needs of the people who live in them. Today the cost of education is 60 per cent or 70 per cent of the total tax on real estate. If this goes higher two things will happen. First, municipal taxation will increase to a point where the ownership of real estate, home ownership itself, will become less desirable. Secondly, you will put on the municipality a burden of taxation which will seriously jeopardize its solvency. Those are the immediate problems we have to solve. It is not a problem we have to solve five years or ten years from now, but rather one we shall have to solve this year. Every new house that is going to be built this summer creates its own school problem. Every new house that Central Mortgage and Housing Corporation builds creates a school liability which, in my opinion, is the responsibility of the federal administration.

I am not going to go into arguments about the wording of the resolution. Possibly it might have been worded somewhat differently so as to make it suitable to merit my absolute and unqualified support, because I feel that the mere expenditure of money without certain safeguards or qualifying conditions is unwise.

I should like to mention one condition which I think is an important one, and that is that if the federal government is to spend money on education, and I sincerely hope they do, the government must see—if the money goes into capital in the nature of schools which, I believe, is perhaps the most pressing need—that its investment is secure. One of the conditions I would urge upon the federal government, particularly in dealing with new school sections, is to see that the community in which a school is built is properly planned. Today one of the great problems in connection with education, and the cost of it, is that it has been found that the population in the centre of our major cities, and which supported the old schools, has moved out, with the result that those schools serve a diminishing number of pupils. Indeed, we have cases in Toronto where schools have actually been closed or put to other uses for that reason.

This is an uneconomical thing to have happen, and it can be prevented from now on by proper town planning and proper zoning. I make the point strongly to the government that all money expended in capital expenditures for schools should have attached to it the condition that such money should go only into those school sections or communities where there are adequate town plans, so that the value of the real estate, the value of the school and the type of the community will remain constant and of high value.

My other suggestion by which the government could give immediate aid to the schools in my constituency is one I have made before. Today the average householder in the Toronto metropolitan area is paying between $185 and $200 in taxation for municipal purposes. Of that amount between 60 and 70 per cent goes for education. I suggest that the government consider immediately allowing that taxation as an expenditure deductible from income for taxation purposes.

Today our municipal tax structure is increasing at an alarming rate. This is true all across Canada. What we have to do immediately is to relieve the burden of taxation on the people who today are paying for the education of our children, namely the property owners. I suggest the first thing to be done is to allow school taxes—as a matter of fact, all municipal taxation—as a deduction from income for tax purposes.

That falls into line with the principle of doing away with double taxation. I strongly suggest that the government consider that at once, and that it certainly be considered as one of the principal items to be taken up before the dominion-provincial conference. This is not an academic problem; it is not a problem that can wait for the report of the Massey commission. The commission may sit for years; we do not know. This is not something we can wait for a conference or a royal commission to decide upon. This is something that today in this very year every householder, every owner of real estate and every head of a family is finding right on his doorstep in the demand for taxation for municipal purposes.

Unless this constantly increasing cost of municipal taxation is arrested we are going to find ourselves in a position similar to that of the twenties and thirties when the value of real property was destroyed because of taxation, when municipalities became bankrupt and when the vital security of the whole of the Canadian people was jeopardized. I repeat

that this is not an academic subject; it is not a subject which can wait. This is a subject which requires immediate attention.

(Translation):

Mr. Jean Lesage (Montmagny-L'Islet): Mr. Speaker, I believe it is hardly necessary for me to repeat what I said on numerous occasions regarding the importance of education in Canada. Nevertheless, I consider it my duty to oppose the resolution now before the house for reasons, or rather for one reason I shall state very briefly.

Let us see first of all how the resolution before the house reads:

> That, in the opinion of this house, the government should take into consideration means of expanding and equalizing educational opportunity across Canada, by the granting of financial assistance to the various provinces for that purpose.

I would ask you, Mr. Speaker, and the hon. members of this house to note the words "for that purpose". They are very important. The motion, as it reads, provides that the federal government will grant financial assistance to the provinces for educational purposes. I wish to draw the attention of the house to the words "for that purpose" for the motion does not ascribe a particular meaning to the word "education" and I must therefore conclude it refers to education in general. Besides, it is clearly implied by the context and I need not repeat the distinctions made just a few moments ago by the Minister of National Health and Welfare (Mr. Martin).

If such subsidies were paid to the provinces by the federal government it would be duty bound to keep a constant check on the provinces in order to make sure that payments were being used exclusively for educational purposes. One can imagine, for instance, a central government at a given time made up of men with definite ideas on the meaning of the word "education" and who would demand that the same meaning be adopted by the provincial authority. The federal government could then claim that certain sums paid to a province for educational purposes are being spent by that province for purposes which, in the minds of the members of the federal government, are other than educational. This might be a source of endless difficulties.

You have only to consider what is happening at the present time in the province of Quebec under the leadership of l'Union Nationale to see how far that can go. As a matter of fact, under pretence of financial assistance to school boards, the government of that province has deprived them of their administrative and educational autonomy. In my opinion, the same thing could easily happen in the federal field if financial assistance were to be granted to the provinces by the federal government for general educational purposes, or in other words, for no specific educational purposes.

As far as I am concerned, my respect for the constitution of this country is such that I can surely not agree with the principle of federal grants to the provinces for general educational purposes. Moreover, I hold no brief from my constituents in this matter.

I do regret the absence from this house of the hon. member for Three Rivers (Mr. Balcer). I am convinced that he would agree with me on this principle, and that he would be forced to oppose the views expressed this afternoon by his leader (Mr. Drew) and by the hon. member for Eglinton (Mr. Fleming), because the attitude taken by them today does not correspond in any way to the attitude they took during the last electoral campaign, when they claimed to be staunch supporters of provincial autonomy. They laugh because they do not understand.

(Text):

The leader of the opposition may laugh, but he who was such a ferocious defender of provincial autonomy proposed this afternoon that the federal government should enter the educational field which under section 93 is under the exclusive jurisdiction of the provincial governments.

Mr. Drew: Mr. Speaker, since there is a *Hansard* record may I insist that there shall not be such a deliberate misstatement as that which has just been made. I made it perfectly clear, and in words that could not be misunderstood, that no step taken here should imply any intervention in the exclusive jurisdiction over education by the provincial governments. What the hon. member was trying to do was to place on *Hansard* an impression which was entirely contrary in every way to what I had said, and which he knew to be contrary.

Mr. Lesage: While I was speaking in French I said that any grants for general educational purposes made to the provinces would necessarily give the federal government the right to review the expenditures, and the right to review by the federal government the expenditures by the provinces for educational purposes means that the federal government would be entering the provincial field of education.

Mr. Drew: Mr. Speaker, it is quite obvious—

The Acting Speaker (Mr. Beaudoin): I should like to remind all hon. members, and in this case particularly the leader of the

opposition, that when an hon. member has the floor he must not be interrupted unless it is to put a question. The leader of the opposition did not state that he was rising on a question of privilege. If he wishes to clarify a remark that he made, of course in these cases the house is always generous although it could be done after the hon. member who has the floor finished his speech. If the leader of the opposition merely stands up the Speaker cannot know his reason for rising unless he states he wishes to ask a question or is rising on a question of privilege. It is important that the Speaker should know.

Mr. Drew: I am rising on a question of privilege. I imagine that the hon. member who is speaking must have been out of the house when I was speaking because I find it difficult to believe that he could make the remark he has now made if he had been in the house. I pointed out clearly this afternoon that any arrangement that was made must be made in such a way that the granting of money would entail no indirect control or supervision over or intervention in the exclusive jurisdiction of the provinces over education.

Mr. Lesage: Before I made my statement in English I had implied while speaking in French that a vote for the resolution as worded meant approval of the fact that the federal government would be entering the provincial field of education. If I understood correctly what the leader of the opposition said this afternoon, he stated definitely that he approved of the resolution. If he approves of the resolution then he is against provincial autonomy in the field of education. I believe that is logical and sensible, although it is a matter for argument.

Mr. Knight: On a question of privilege—

An hon. Member: Again.

Mr. Knight: Again. I think I should join the leader of the opposition (Mr. Drew) in protesting the meaning the hon. gentleman gives to my resolution. I am accustomed of course to these charges of being a "centralisateur".

The Acting Speaker (Mr. Beaudoin): Order. The hon. member cannot control the interpretation placed on his resolution by other hon. members. After all, hon. members are at liberty to give their own interpretation to a resolution before the house. Their interpretation may be wrong in the view of the mover of the resolution but he cannot rise on a question of privilege and protest against the interpretation given to the resolution by other members. I should like to refer hon. members to citation 235 of Beauchesne, third edition, page 101, which reads:

> A member who, during a debate, has spoken to a question may again be heard to offer explanation of some material part of his speech which has been misunderstood; but he must not introduce new matter or endeavour to strengthen by new arguments, his former position which he alleges to have been misunderstood, or to reply to other members.

Therefore I should like all hon. members to respect the rules of the house, and I would ask the hon. member for Montmagny-L'Islet (Mr. Lesage) to carry on with his speech.

Mr. Knight: Mr. Speaker, on a question of privilege, I must say that I did not at any time say that the resolution would in any way take away from the jurisdiction of the provinces. The hon. member said something else when he was speaking in French.

(Translation):

Mr. Speaker, may I be permitted to tell the hon. member that I understand fairly well the French that is spoken in this house.

(Text):

Mr. Lesage: Maybe I spoke in such a low voice that the hon. member for Saskatoon (Mr. Knight) could not hear me.

(Translation):

The hon. member for Lake Centre (Mr. Diefenbaker) has endeavoured to convince us that he could support the resolution since the federal government would not have to earmark the grants for educational purposes. The leader of the opposition (Mr. Drew) takes refuge behind the same argument.

To justify such views either the motion would have to be redrafted, as I pointed out a moment ago, or the member for Lake Centre or the leader of the opposition would have to bring in the necessary amendment.

As I understood the member for Lake Centre this afternoon, he simply requests that the general grants provided by the federal government to the provincial governments under the constitution be increased.

I shall use the argument put forward by the Minister of Agriculture (Mr. Gardiner) this afternoon to state that this is a matter for discussion at the federal-provincial conference to be held next fall.

In any case, if the provincial governments wish to get grants from the dominion government for educational purposes, they will certainly ask for them at the next conference, but it is up to them to mention the matter and not up to us because we have received no mandate from the Canadian people as regards education.

(Text):

Mr. Diefenbaker: What is the hon. member reading from at the moment?

Mr. Lesage: I am following notes, as the hon. member for Lake Centre (Mr. Diefenbaker) often does.

Mr. Diefenbaker: I wondered what you were reading from.

Mr. Lesage: I am not reading; I am following notes. I do not believe I can be accused of having read when I was speaking in English or that I can be accused of reading now. I took notes when the hon. member for Lake Centre spoke this afternoon, and I was referring to them.

(Translation):

Personally, I should be amazed if the Quebec government, of whatever political hue, ever agreed to let the federal government look after education in general in the province. I am sure that the bosom friend of the leader of the opposition, the present premier of Quebec, will not be very pleased with him when he reads the speech he made this afternoon.

Had I received a provincial mandate, I would be duty bound to oppose the motion and I would never agree to let the federal government have a say in the whole matter of education in the province of Quebec.

However, ours is a federal mandate and in my opinion, educational matters are not within our jurisdiction. It was not without reason that the fathers of confederation specified in section 93 of the British North America Act that education was solely under provincial jurisdiction. That was done in order to protect the rights of minorities. Now as I belong to a minority, I should be remiss in my duty if, like others from this side of the house who are prepared to vote against the motion out of genuine regard for the Canadian constitution, I did not consider myself bound to express my unqualified opposition to a motion which would involve the loss of sacred rights upon which our very survival depends.

For that reason, I shall vote against the resolution.

(Text):

Mr. Clarence Gillis (Cape Breton South): Mr. Speaker, my main reason for rising at this time is that the resolution has been before the house and debated at considerable length on two occasions. To the best of my knowledge no member from the maritimes has taken part in the discussions. In order to disabuse the minds of members who may think that we have no educational problems in Nova Scotia, I feel it is my duty to rise and say something about the resolution. This afternoon the Minister of Agriculture (Mr. Gardiner) displayed some very smart footwork. I admire him for it. He stated that the government was anxious to have a vote on the resolution.

Mr. Gardiner: Agreed.

Mr. Gillis: At the same time I notice that there are quite a few government members ready and willing to speak. I think the Minister of Agriculture was quite safe in making that assertion. I cannot understand how he can take the position that the wording of the resolution implies controls. It has been read to the house several times. It is plain and simple, and there is not a word in the resolution to suggest that, if it were passed by the house, the federal government would tell the provincial governments in any way how, when and where they should spend the money. The Minister of Agriculture rang the bell for government members in the event of a vote. He told them he was leading the house, and that in so far as he was concerned he would vote against the resolution. That means that it would be voted down. He did so on the ground that the resolution implied control. I like to be fair in these matters, and I do not think anyone reading the resolution can construe it as entering the provincial field of education.

At the same time the Minister of National Health and Welfare (Mr. Martin) suggested that if the resolution had been introduced in some other form dealing with specific matters the chances are it might have received favourable consideration. I am sure the minister knows that if that resolution had been presented in any other form it would not have been discussed by this house. If it had been specific, and recommended that this or that should be done, that money should be spent, then it would have been considered that a private member was advocating government expenditure, and the motion would have been ruled out of order. The only form the resolution could take in order to have a discussion is the innocent form in which it is found. It merely asks the government to increase the grants to the provincial governments for the purpose of equalizing educational opportunity across the country.

I believe this afternoon the Minister of Agriculture (Mr. Gardiner) was misleading his members with his interpretation of the resolution. Of course, he is entitled to do that, but as house leader I believe he was unfair in the attitude he took. I view this

as an extremely serious matter. The teachers union of Nova Scotia has been urging the federal members to act on the matter of federal aid to education. I am going to put one of their telegrams on the record, in order to show why they think education in the maritimes cannot keep pace with the other provinces. They believe it is due to economic reasons, and I think that is correct. This telegram is signed by the general secretary of the Nova Scotia teachers union, and reads as follows:

The educational opportunities for the children of Canada depend in large measure on the wealth of the individual province. Nova Scotia as you know is one of several provinces which is not financially independent. The Nova Scotia teachers union has long favoured federal aid to education, and now this subject has come before the house, we urge that you, in the interest of the children of Nova Scotia, support federal aid to education wholeheartedly.

That is the position taken by the Nova Scotia teachers union, and it speaks for all teachers in that province.

To support the contention that you cannot have equal educational opportunities across the country on the basis upon which the federal grants to the provinces are made, I cite the remarks of the member for Burnaby-Richmond (Mr. Goode); I believe he put his finger on the problem. Speaking in this debate this evening he told us that he taught in a rural section of British Columbia, and he believed that 50 per cent of the students that went to high schools had no right to be there. Their parents were not financially able to put these children through university if they did graduate from high school. In many cases the parents were not financially able to allow the children to complete high school training. He felt those children should go into vocational schools. He said that the reason for that was an economic one. I believe that is a rather serious statement, especially since it came from a teacher. That is true not only in rural British Columbia but in many of the rural districts right across Canada. It is true not only in the rural districts of Nova Scotia and New Brunswick but in the industrial sections of those provinces.

If you look at the record of the men going into and coming out of the services you will find that thousands of young Canadians who fought throughout the war and returned to this country were not in a position to take advantage of the vocational training offered by the government because they had not completed the eighth grade. If a man had not completed the eighth grade he could not qualify for vocational training under the veterans legislation. Thousands of these men were not able to go through the eighth grade, because of the economic conditions that existed across this country in the years previous to the war.

When the Minister of National Health and Welfare (Mr. Martin) was speaking, he painted a lovely picture of the assistance the federal government is rendering, not only in the field of education but also in health. I often wonder whether that information is trickling through to the people, and whether the people actually get it. I believe, as a result of my travels through my province, they are not getting it. For example, if there is money on hand in Nova Scotia for educational purposes or to assist a worthy student, how does it happen that several times during this session I have received letters and telegrams from student veterans who are within a couple of months of graduation from a university when their grant has run out? Those boys are not able to spend the next few months in university and graduate with a certificate because they are unable to pay the tuition. Where are the educational grants that go to the province of Nova Scotia? Several of these cases have been brought to my attention, and if there are funds on hand in the province they certainly should be used to assist that particular type of case.

Free school books are provided up to the eighth grade. Sometimes its appears to me as if many of the provinces want eighth-grade scholars. They seem to be afraid that if the student goes through university he may become smart enough to threaten them in the political field. There are too many eighth-grade scholars. In my opinion the books used up to the eighth grade are not very expensive and could perhaps be provided by the parents, but after the pupil leaves the eighth grade and goes to high school the books become expensive and the parents cannot buy them. In the final analysis it is the municipal government that takes the beating on this question of education. In my home town, a town of about 28,000, 60 per cent of the total income is spent on schools. This means that 60 cents of every dollar is spent on the upkeep of schools, and the payment of teachers' salaries. This means cutting into other essential services in that town, and I know that many other towns in the province of Nova Scotia are in a similar position.

I am strongly in favour of the federal government having some supervision of the money. When you look back at some of the dominion-provincial conferences you find the premiers of the provinces taking the position that they will not relinquish this field or that field. They want to keep the prerogatives laid down in the constitution of 1867, when

the world was completely different from the one which now exists. What is it they want to keep? The supervision of the poor, the lame, the sick and the maimed. If the federal government makes a grant for health purposes, it is earmarked for cancer research or cripples.

Mr. Martin: As a result of the direct suggestion of the provinces in each case.

Mr. Gillis: I am not so sure of that.

Mr. Martin: I am sure that if I give my hon. friend that assurance he will accept it.

Mr. Gillis: I will take the minister's word for it, but I still think someone is fooling him. We remember how the federal government took the bull by the horns when it enacted the Old Age Pensions Act. It was said that any province desiring to take advantage of it could do so. It was not very long until they all did. I think it is completely unreasonable to expect the federal government to pour out millions of dollars to the provinces and then say the federal government should not have a voice in how the money is to be spent.

If the federal government sends money into Nova Scotia or into any other province I believe that they should be in a position to say that that money is to be used for educational purposes. In the case of the student veteran within two months of graduation but who, because he cannot pay that two months' tuition fee, must go out, I believe that funds should be available to assist him. Then with regard to entrance to high school, for economic reasons and because of differentials that exist in standards from province to province thousands of children cannot take advantage of high school. Where a child shows promise and is recommended by his last teacher, I believe that funds should be earmarked for the purpose of assisting that boy, or girl, to go through high school, and I believe that principle should be followed through university. What have we in this country today? We have professional men who should be digging ditches and we have ditch diggers who should be professional men. Education does not necessarily mean that you have brains. It means that you were fortunate in picking your parents and that they had the finances with which to put you through university.

Until you get around to that specific direction in this field of education, I believe you will always have the difficulties that you now have. On the other hand, the figures or the statistics put on record this afternoon by the member for York South (Mr. Noseworthy) in my opinion were quite revealing. From province to province in this country the standards differ greatly. As to your educational set-up or social service set-up, everything the government has to spend money on to assist people, there will be a differentiation depending on the income of the province. British Columbia has a provincial income of $105 million a year; Alberta, $79 million; Saskatchewan, $74 million; and Ontario and Quebec are up proportionately. But when you go down to the maritimes, you find it is down to nothing through no fault of their own; they are victims of confederation. Until such time as you have ironed out the inequalities that exist in the whole economy across this country, there will be no possible chance of having equality in social services or educational facilities. These things have to be ironed out first.

I strongly suggest that the Minister of National Health and Welfare (Mr. Martin) might consider this point, and I know that many representations have been made on it. He could assist education if the Family Allowances Act were amended to provide that, in cases in which a boy or girl had reached the age when he or she was coming off the family allowance, it could be continued while that boy or girl was continuing education. The greatest hardship suffered by the parent is in getting the child through high school. That is where the family allowance could be of great assistance. I know that the act does not provide for that assistance, and the administration are adamant that they are not going to make any changes in that direction. While the family allowance is of great benefit now up till the boy or girl reaches the age where he or she comes off it, I know that many cases have been brought to the attention of the minister asking for a continuation of that allowance while the child is continuing education. That is something the minister could do, and do quickly.

Then as to this business of waiting for the Massey commission to report, may I say that I do not think there is any necessity to delay this particular question until the Massey commission reports. What can the Massey commission report to this government that has not been reported by the Rowell-Sirois commission? I am sure that every member of this house who was here in 1940 and secured a copy of that report has read not all of it—because I do not think anyone would ever read it all—but the sections that apply to social security, revision of the constitution, education, and dominion-provincial rights. Most of us went through it. I think that was the most comprehensive report that was ever brought down in this country, covering the whole economy of the country and the field of dominion-provincial jurisdiction. It was

a new constitution. It made recommendations. If they were carried out, there is no necessity for having any difficulties with the provinces; and there would be no necessity for appointing another commission to take evidence on arts, letters, music and so on and so forth. You have the whole thing in that Rowell-Sirois commission report. You spent millions of dollars on it, brought it into the house, and a few of the members read it. It was never publicized, and it was sent to the archives to gather dust. For anyone who wants the real picture of the whole economic set-up and the changes that are necessary in the economy to bring about some measure of equality as between province and province, the evidence is all contained there in that Rowell-Sirois commission report. I say that the minister should take a look at it and go back over it, because I do not think you will ever gather that kind of data again. I think it is one of the best reports ever written in this country.

I think it is time to take action. We still have a chance to vote on this resolution this evening. I should like to see a vote taken but I should like to see the minister or the cabinet and the members on the government side of the house take the position that the federal government will give assistance if the provinces cannot do anything for themselves, if they have not the money with which to promote education, if they cannot do an adequate job in the field of health. And they admit they cannot because they have not done so though they have been at it since 1867. As to any of the benefits where all this money is being spent, when I go back to my own province my impression is that it is much more difficult today to get service than ever before, either in the way of hospitalization, medical attention, education and all the other things that we are spending all that money on. I do not know what happens in the other provinces, but I certainly cannot see any local administrations that are getting their hands on any of that money to perform any services at all. The minister is building hospitals. He went into that matter at great length this afternoon, but I do not think it is germane to this resolution. But there is no use building hospitals if you cannot get into them. You just built a citadel there and put a lot of equipment into it; and unless you have the wherewithal to pay a lot of money, you do not get in, so you are just out in the cold. I know that the average member is in this position. He is plagued from week to week to have this, that and the other thing done. But there is one thing the Minister of National Health and Welfare could do. He could call his organization together tomorrow and say, "Let us just extend this family allowance to children who are continuing education." That is simple enough. That would be of considerable benefit to a great many widows particularly who badly need it.

Mr. Martin: I am accused now of doing too much.

Mr. Gillis: If that is the attitude, there is not much use in discussing the matter.

Mr. Martin: I said that I am accused now of doing too much.

Mr. Gillis: Don't you worry about that.

Mr. Martin: I am not.

Mr. Gillis: You will be accused anyway. Anyone who is not getting kicked around is not doing anything.

Mr. Martin: That is all I get.

Mr. Gillis: Just you go ahead and do the job, and 99 per cent of the people will back you up anyway. There are just a few who will kick you, and you will be able to take that. Am I to understand that the minister will take under consideration that matter of amending the Family Allowances Act to provide relief where children are continuing education?

Mr. Martin: We will all be studying these matters with great attention.

Mr. Gillis: I am glad to hear that the minister is paying special attention to that particular matter. In closing, I should just like to say this. I still cannot understand the Minister of Agriculture's interpretation of that resolution this afternoon, because I know he is a man—

Mr. Gardiner: You will talk the resolution out, if you keep on.

Mr. Gillis: No. There is plenty of time. The minister is a man who has a keen insight into these matters and he generally gets to the root of things. But on this particular resolution this afternoon I just could not make him out. The hon. member for Burnaby-Richmond (Mr. Goode), a teacher himself, interpreted the resolution and advanced some excellent reasons as to why it should be adopted.

Mr. J. A. Ross (Souris): I desire to offer a few remarks in support of the following proposed resolution:

> That, in the opinion of this house, the government should take into consideration means of expanding and equalizing educational opportunity across Canada, by the granting of financial assistance to the various provinces for that purpose.

I think the resolution is clear, despite the arguments that have been advanced against it as interfering with provincial rights. I do

not think there is anything of that nature in it. Despite the fact that the Minister of Agriculture (Mr. Gardiner) and the Minister of National Health and Welfare (Mr. Martin) spoke against the resolution, I wish to endorse it wholeheartedly and also the remarks of the speakers in support of it.

This motion was discussed for an entire day last fall, namely on October 19, 1949, and arguments were set forth by my leader, which may be found on page 942, and following, of *Hansard*. Dealing with the splendid work of schoolteachers he, as minister of education in an Ontario government, rendered splendid service to education in that province which has been referred to by government speakers today. In that respect I might quote one paragraph of his speech last fall which is to be found at page 944 of *Hansard*. He said:

> There is, however, this important consideration which cannot be emphasized too often. Even if we built in Canada the finest schools that have ever been constructed anywhere, we would have done nothing to advance our educational standards unless those who are teaching in those schools are highly qualified to teach the children that come under their direction. For that reason, wherever the school may be and whatever type of school may be under consideration, the effort of all those concerned with the advancement of education in Canada should be to raise to a level that is in keeping with their responsibility the salaries of those to whom we are entrusting to a considerable extent the whole future of Canada.

There is a lot of meaning in that paragraph. I am sure there is no hon. member in the house who will not admit that at the present time there is great inequality in educational opportunities throughout this nation. In fact in a bulletin issued in 1945 it was shown that the average salary of teachers in one province was $633 while in another province in another part of the country the average was $1,552. Surely that is a tremendous difference in two provinces of this dominion. In 1941, the last year in which the census was taken, there were only 85,000 citizens in Canada with university degrees. At the same time there were in this country 360,000 people between the ages of 6 and 16, that is school age, who were not attending school at all. In my opinion, these figures are alarming.

I spoke on this matter on October 27, when we were discussing the amendment of the constitution, namely, the British North America Act. I think that is in keeping with the suggestion made by the Minister of Agriculture (Mr. Gardiner) this afternoon; but in view of some of the statements made today I want to refer to the Manitoba teachers federation. Their brief has been endorsed by what is to me the greatest and most influential organization in Canada, namely, the Canadian Legion. I do not think anybody will dispute that statement either. They said:

> A new definition of education which involves the all-round development of the child, and an emphasis on citizenship, make the educational perspective of 1867 and a narrow interpretation of the provisions laid down in respect to education in the British North America Act untenable today.

At another point in their brief they said:

> In any plan of federal assistance it would be understood and agreed that the expenditure of funds by the government of Canada would in no way be deemed to confer upon any minister or official of the government of Canada any right of supervision or control over any school or educational institution with respect to which any federal government funds are expended.

That should clear up many of the arguments advanced by government speakers today. They have a very fine and lengthy article, but the point that I am most concerned about is the situation in the province of Manitoba from which I come. Cost of education has been a vital issue in the past two years at our annual Manitoba municipal convention, because the municipal officials must find the greater part of the money by a levy on real estate. In fact our municipal corporations in Manitoba find, by a levy on real estate, $3 for every $1 supplied by the provincial government. I am sure that is an antiquated system of financing education in the province. Notwithstanding that situation, the school trustees association of the province of Manitoba made it a vital issue at their last annual meeting. At their last convention, as reported in the Winnipeg *Free Press* of January 25, 1950, in an article headed, "Education minister says he feels Ottawa cannot give much more aid," the following appeared. First of all, what are we to expect from our provincial minister of education if he attends a conference next fall, when he publicly states that the province cannot expect any more aid from the federal government? According to the article he added:

> Doubt that the provincial government could go much further in the matter of financial aid to education was expressed Tuesday by Hon. C. Rhodes Smith, minister of education, in an address to 600 delegates attending the 41st annual convention of the Manitoba school trustees association.

I agree with all the remarks made by my colleague the hon. member for York West (Mr. Adamson) on the great burden on real estate brought about by the cost of education. You cannot continue to have a levy on real estate, as we have in Manitoba, for over 75 per cent of the cost of education, and under that system have equality of education. It just cannot be done. I know that in my own municipality —I have referred to this on occasions, and there are many other examples throughout the entire province—a number of farmers along

the Souris river have lost three crops in the last three years and they are now in the process of losing the fourth.

When this land does produce it is the most productive soil anywhere in that part of the country. Therefore it is the highest assessed property in the country. The majority of the taxes levied there are for the cost of education.

Some twenty miles down the river from me in another municipality there are a group of farmers who have lost the last seven crops in that river valley. They are in process of losing their eighth consecutive crop now. On another occasion I pointed out that they are attempting to get permission to sue this government for the faulty and improper construction of dams on the river, because prior to the construction of the dams those people had not lost a crop owing to flooding since the year 1916. Surely under a modern system today we must face up to the situation.

When I spoke last fall I suggested that municipal authorities should be invited to the dominion-provincial conference next fall. In view of what the Minister of Agriculture said this afternoon, I repeat that if this matter is to be discussed at that conference then the heads of the municipal unions should sit in, at least in an advisory capacity.

I have quoted the statement of the minister of education for the province of Manitoba, who does not think that we should even ask for federal aid. In the statement he said he does not think the province can go any further. What can we people in Manitoba expect when he attends this convention and speaks for the department of education in Manitoba? We do not have any municipal authority here. I am serious about the suggestion that they should be here.

There are further observations I should like to make at this time, but I dealt fully with the subject on October 27, and my remarks are to be found in detail at pages 1200 and following. The wish has been expressed by many hon. members that there should be an opportunity for a vote on this resolution tonight. In view of that, in view of the very full statement I made on the same resolution last fall, in view of the fact that my leader has spoken most effectively—and I have pointed out his record as minister of education in Ontario—and in view of the fact that I wish to endorse the resolution wholeheartedly, and will have more to say at another time, not wishing to be accused of standing in the way of the taking of a vote on this very important matter this evening, I will resume my seat at this time.

[Mr. Ross (Souris).]

(Translation):

Mr. Robert Cauchon (Beauharnois): Mr. Speaker, members on both sides of the house realize the importance of education. I need not draw the attention of the government to this matter, since it has already appointed a commission to inquire into the educational standards of the Canadian people, and the ways and means of improving them. This commission is known as the Massey commission. So far, the manner in which this commission has performed its duties has brought nothing but commendation.

In the meantime, the government has not remained inactive and after having heard the Minister of National Health and Welfare (Mr. Martin) read a list of the grants made to various universities in this country, all will agree that they are endeavouring to promote education in Canada. The government has done everything that could possibly be done without encroaching upon the rights of the provinces.

Allow me to congratulate the Minister of National Health and Welfare for the assistance afforded to our veterans with regard to education.

After the commission has submitted its report and has made known the shortcomings, if any, of our educational system, the government will undoubtedly carry out these recommendations, and thus be in a position to solve the problem of education after having agreed to increase its grants to the provinces, while, at the same time, safeguarding provincial autonomy.

I do not wish to speak at any length on this subject. I am opposed to this resolution in its present form because, first of all, it is premature and, second, because it infringes on the rights of the various provinces.

(Text):

Mr. T. A. M. Kirk (Digby-Yarmouth): Mr. Speaker,—

Some hon. Members: Question.

Mr. Kirk (Digby-Yarmouth): May I assure hon. members that I did not call "question" when they spoke. I shall take only a few moments to speak on a subject concerning which I had prepared copious notes. However, it is not my intention tonight to repeat the arguments made earlier. I believe, as did those who spoke earlier, that this is a matter of great national importance.

In speaking tonight I do so without attempting either to support or to oppose the resolution, but rather to bring out certain points which have not been mentioned before. I do this without in any way trying to twist the words of any previous speakers or to paint any black pictures.

It has been mentioned by several speakers that education is within the jurisdiction of the provinces. There is no point in my discussing that matter further. It is only fair to say however that the national government has been most active in promoting certain phases of education. Our federal government has been most scrupulous in trying to meet its constitutional obligations in respect of the protection of the rights of the provinces and the rights of minorities.

In discussing this matter there are certain points which must be taken into consideration. It has been my hope not only to ask but to answer some of those questions. First, have those who are supporting or who have been opposing the resolution as worded taken into consideration our educational history, particularly with regard to finances, both in the past and at the present time? Have they considered the method by which technical and vocational education were introduced in Canada? Have they considered to any great extent the federal government's present participation in education? Have they thought of the difficulties that occurred in the United States when under W.P.A. they began issuing grants very freely for the building of school plants? Have they thought of the system of scholarships in effect in other countries? Most important, have they thought just what the expression "equal educational opportunity", which has become almost a cliché, really means? Have they thought at what level they would like to have federal educational aid? Is it to be at the primary level, the secondary level or the university level?

Several speakers have made the suggestion that if we were to spend twice or three times as much on education we would have a system twice or three times as good. However, not one of them carried his argument further; each was content to make only the bald statement. I do not see how we can assume that by spending twice or three times as much we shall of necessity have a much better system of education.

I feel I must reply to two or three statements made by members on both sides of the house regarding education in the maritime provinces. I believe I can speak with some little authority—certainly I can so far as education in Nova Scotia is concerned—because as I said a few days ago I spent practically all my adult life working in the field of education in that province.

When the suggestion is made, as it was by at least one speaker, that Nova Scotia does not have a good educational system, or a system not as good as that in some other provinces, I should like to know by what method we are going to measure the system? Earlier speakers suggested that whether or not a teacher was paid $1,150 in one area and $1,152.40 in another, it did not necessarily follow that the teacher would be any better or that the type of service given would be any better.

It has been said that certain provinces have spent a great deal more for their physical plant and equipment. This is true. But it does not necessarily follow that the education will be better in proportion to the additional amount of money spent. I do not believe it is generally realized—certainly it is not by some who spoke earlier today—that in Nova Scotia we have embarked within the last decade upon a system of improving considerably our physical plant and equipment, in securing better training for our teachers, and planning new types of school buildings we propose to build within the next few years. We plan for approximately seventy-five rural high schools and consolidated high schools, which will mean that practically every boy and girl in Nova Scotia will have rural high school and consolidated school facilities available to them.

We have under construction at the present time two regional vocational high schools. They are being financed partially by grants under the Vocational Training Co-ordination Act of 1942. We propose during the next few years, if the municipalities in the areas concerned are as interested in the plan as the counties of Yarmouth and Halifax have been, to build at least three more regional vocational high schools. At the same time we are doing this we are spending much more money on education than we did before. I do not think that any hon. member should stand up in this house and suggest that, because we are not spending as much per capita, as much per pupil or as much in total as some of the other provinces, we have not as good an educational system.

There are several ways in which the dominion government takes part in education. Some have been mentioned and I should like to mention one or two. You may wonder why I go from a discussion of rural and vocational high schools to a discussion of the research council and other such matters, but as I mentioned earlier I do not want to repeat what previous speakers have said. I think the establishment of the research council

represents one of the most constructive and forward steps ever taken in this country. I think we should look on it more as an institution for the promotion of the development of our natural and national resources than as an educational agency.

I wonder how many people realize that in the penitentiaries of Canada, which are under the jurisdiction of the national government, the federal government, in some cases with the assistance of the provincial government, is providing vocational and correspondence courses for the inmates so that when they come out they will be better fitted to earn their living and to lead a better life.

In Great Britain where the national government is responsible for education, as it has been for centuries, national scholarships have been set up. The same is true of the Union of South Africa where the national government is responsible for higher education. But in Canada, where the provinces have jurisdiction over education, as far as I know not one province has instituted a system of scholarships.

The words "equal educational opportunity" have been bandied about today and I venture to say that every single member in the house has a different interpretation of them. I sometimes think that we get a false impression. It is so easy to misinterpret the principle of equality as applied to education. There is a great diversity in the potentialities of children and I feel that the concept of equality is slightly improper. I would much prefer to use a term like equitable distribution of educational opportunity.

It must be remembered that in applying this principle the governments themselves have nothing with which to meet the obligation. Regardless of their geographical location or the areas under their jurisdiction they do not have any funds. The funds must come from the people themselves. Whether it be at the municipal, the provincial or the federal level, the funds must come from the individual taxpayer. There are those who feel that the national government could help both the municipal and the provincial governments to provide education by relieving them of certain other services. There are those who believe that education should be paid for by a threefold association at the municipal, the provincial and federal levels. There are those who think that the government should give assistance in the form of grants in aid. There are others who feel that there should be no federal assistance whatsoever.

Provincial autonomy is greatly cherished in all parts of Canada, and particularly so with reference to education. Those who feel that there should be federal aid say that that aid can be provided without there being federal control. Those who are opposed to federal aid say that if we do have such aid there will be federal control. In other words, he who pays the piper calls the tune.

I think it was the hon. member for York West (Mr. Adamson) who said that this was more than an academic discussion, and I quite agree. This is a discussion in which one must consider carefully the effect upon the country's economy and at the same time consider the variety of educational facilities provided in the different parts of Canada. I feel that a discussion such as this has been worth while. It has given us and the people of the country an opportunity to consider the problem and to decide whether there should be federal aid for education.

Mr. J. A. Byrne (Kootenay East): Mr. Speaker, like the speaker who has just taken his seat, I submit that the cost of education, regardless of how it is raised or how it is administered, must come from the individual taxpayer. To say that the cost will be provided by a central organization does not indicate that that cost is going to be decreased. I firmly believe that it would tend toward increasing the cost of education.

Those who are responsible for the expenditure of money, whether it be for education or for any other purpose, will I think in great measure be more discriminating and more careful as to the ways in which they expend our money, if they also be responsible for the raising of money. There is no argument against that fact. By keeping the administration of education and schools in the smaller areas it will tend toward making available a greater measure of voluntary work and therefore to a great degree reduce the actual cost of administration and so on.

I think it was the hon. member for York West (Mr. Adamson) who argued that because ten thousand new homes were being built in Toronto there would have to be large expenditures for school purposes in that particular area. That is quite true, but it must be remembered that new families will be moving into such areas and it does not follow that the people in some other area should take over the responsibility of educating those children. In an endeavour to bring the federal government into the picture the hon. member argued that this was a federal housing project. That is quite true, but it must be remembered that in most cases the federal government is paying 75 per cent of the cost, with the provincial government paying 25 per cent. New sources of taxation are brought into being by the federal government which will go into the general fund of the provincial government, who are thus responsible for any

further assistance needed in connection with education. These areas will also bring in additional taxes to the municipality which is responsible for the basic administration of the schools. I certainly agree wholeheartedly with everyone who has spoken previously in this debate that the question of education is of the utmost importance. We must go just as far as we can in every respect, but I do not think it follows that by centralization and bringing the federal government into the matter we shall improve the picture a very great deal.

Mr. Knowles: Are you opposed to federal aid to education?

Mr. Ross (Souris): He is just talking it out.

Mr. McIlraith: You have had a chance to speak. Let others have a chance.

Mr. Byrne: The province of British Columbia set up a commission to investigate the cost of education. The result, the Cameron report which left the city of Kimberley in which I live in a most unfortunate position. The report really discriminated against that area, and I should like to explain in what way that came about. In the Cameron report there was a great deal of sympathy for the poorer or rural areas. This is merely an illustration to show that just because we have the larger authority giving instructions it does not always work out for the best of all concerned. I want to prove that is not the case. The recommendation in the Cameron report was that rural areas would not be charged in excess of 8 mills on their property, houses and so on. The Cameron report also recommended large municipal school areas where it would be necessary to bring school children in from rural areas by bus. The recommendation of 8 mills for rural areas overlooked the fact that a large number of people living in what might be called the suburbs of Kimberley were people who were working and enjoying the same privileges in every way as those living within the city. They were all working for the one large mining company. The people outside the municipality of Kimberley enjoyed a very low mill rate of 8 mills on the dollar for school purposes whereas in many instances people in poorer circumstances than those on the outskirts are paying in the neighbourhood of 40 mills on their assessments. Therefore it is easy to see that the people in the city are paying for the transportation to school of those in the outlying districts and providing them with the same facilities obtainable by those within the municipality. That is a question that has to be worked out, and I am sure that with further consideration it will be.

Mr. Noseworthy: Question.

Mr. Byrne: This illustration is merely by way of proving what can take place. The hon. member for Cape Breton South (Mr. Gillis) indicated that the government had not done enough for veterans who were not able to carry on their school work by reason of entering the armed forces. He said that on their return to civil life the government had not done enough to assist them in obtaining an education. Personally I feel that the Department of Veterans Affairs has done by way of assistance to returned veterans more than any other country. I have in mind one particular case. This individual is closely related to me and that is why I know the case better than any other. I should like to use it as an example of how veterans were aided through educational benefits extended by the government. This man was discharged from the army and when he began university training he was married and the father of two children. Before completing his university training he had three children to support.

Mr. Graydon: Mr. Speaker, on a question of privilege, I do not want to interrupt the hon. member, but I think the house generally would like to have a vote on this most important resolution.

Mr. Speaker: Order. That is not a question of privilege.

Mr. Sinclair: He has a right to speak.

Mr. Graydon: I have a right to rise on a question of privilege.

Mr. Speaker: Order. The hon. member for Kootenay East.

Mr. Byrne: Very few members on this side of the house have had an opportunity to speak on the question.

Mr. Sinclair: Just cheap Tory politics.

Mr. Cruickshank: We know nothing about filibustering over here.

Mr. Speaker: Eleven o'clock.

Mr. Knowles: You have done it.

Mr. Fleming: Saved by the bell.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Mr. Speaker, tomorrow we will move to go into supply and call one item of the labour department and one item of legislation, these items to stand. Then we will take up Bill No. 179, an act to amend the Research Council Act; Bill No. 222, an act to amend the Cold Storage Act; Bill No. 82,

an act to amend the Criminal Code; Bill No. 180, an act to amend the War Veterans Allowance Act, 1946. If we have any time left we will take up Bill No. 153, an act to amend the Aeronautics Act.

Mr. Fleming: Would the minister mind repeating the first item?

Mr. Fournier (Hull): We will move to go into supply and call one item of the labour department and one item of legislation, these items to stand.

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

HOUSE OF COMMONS

Tuesday, May 23, 1950

The house met at three o'clock.

NATIONAL DEFENCE

CONCURRENCE IN FIRST REPORT OF SPECIAL COMMITTEE ON BILL NO. 133

Mr. R. O. Campney (Vancouver Centre) presented the first report of the special committee on Bill No. 133, respecting national defence, and moved that the report be concurred in.

Motion agreed to.

EMPIRE DAY

CANADIAN CITIZENSHIP AND CANADA'S POSITION IN THE COMMONWEALTH

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, as the calendar indicates, this is the 23rd of May, and because it is the school day immediately preceding May 24th it is being celebrated in the schools of several provinces as Empire day.

Empire day, as hon. members know, originated some fifty years ago, the purpose being to provide the pupils with a special occasion to study the history of Canada and to take part in such exercises as might increase their interest in their own country and strengthen their attachment to the empire. In other provinces where Empire day has not been so celebrated, I am quite sure that special occasions have been provided for the telling of tales of heroism and self-sacrifice, of leadership in civic affairs and of other glorious pages in our history.

In the past fifty years there has been a great change in our status. What was then a colony in an empire is now an independent nation in a commonwealth. We have by act of parliament established our own citizenship. Consequently, as I announced in the house on April 28, I approached the provincial premiers with the result that they all agreed to have arrangements made to the end that some occasion might be found today in the schools for exercises having in mind, in respect of the position of Canada in the commonwealth, the rights, the privileges, the duties and the responsibilities of Canadian citizenship. Not only are these exercises being held in the schools, but public-spirited organizations of all kinds are making this a special day in that regard.

I think I speak for all hon. members when I express appreciation to the provincial premiers; to the Imperial Order Daughters of the Empire, who have always been specially interested in the Empire day observances; to the various municipal officials and to officials of churches, service clubs, and other organizations, for their assistance and co-operation in this regard. Perhaps I may in particular express appreciation to the Canadian citizenship council, who have done so much to co-ordinate the activities of organizations promoting the study of Canadian citizenship.

In these past fifty years Canada has become a great nation. We have at all times discharged our national obligations promptly and honourably, and no country which does that needs to try by artificial means to create patriotism. On the other hand we should not ignore the desirability of providing an occasion for developing a sense of respect for the achievements of our people and for renewing our determination to exceed those achievements in the future.

Citizenship in Canada is founded on the faith that two of the proudest races of the world could each preserve their own language and their own creed and yet live together and develop a common nationality. To the partnership of the two races which held to that faith has been added the vigour and energy of thousands of others from most of the nations of the earth. These three streams in our national life have created a citizenship which with our endeavours will in the years to come give increasing reason for celebrating Canadian citizenship with sincerity and pride.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, I wish to join with the Prime Minister in expressing pleasure that throughout this country celebrations are to take place today and tomorrow which will seek to emphasize in the minds of the youth of this country, as well as in members of the older generation, those sacrifices over many long years upon which our freedom, our development and our growth have been built.

Events may to some extent change the particular meaning of words, but any nation would be extremely unappreciative of that past which has given us our present if it did not recall in association with those names all that they have meant in making the country what it is today.

Empire Day

It is appropriate that as we celebrate the wider association of which Canada has formed a part for so many years, and of which we undoubtedly shall continue to form a part throughout the years ahead, we should emphasize the act of citizenship and all that has gone into the making of it.

I think it is a good thing on such occasions to remind our young people that all the tremendous advantages we have today have been bought for us at a very great price. Only a very short distance from us here in this chamber is one of the most beautiful memorials to be found anywhere in the world. Around that memorial chamber are these words:

They are too near to be great but our children shall understand when and how our fate was changed and by whose hand.

As we seek to impress upon our new citizens, as well as upon our older citizens, all the significance of this particular day, it would also be well for us to recall how much thousands of young men and women were prepared to give for the freedom they enjoy.

No nation has better reason to be proud of its past than we have; no nation has greater reason to feel confidence about the future, and we shall develop that confidence and we shall assure our own strength and the spirit of our people to the extent that we keep alive and fresh the memories of the great services in peace and war upon which our nation has been built.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, there are days, both in national and in religious calendars, on which we think of events in particular relationship to the community of which we form a part. Today our minds go beyond our own borders, and we think of the association we have with countries in all parts of the world having institutions similar to ours.

I hope and trust that the time will come when that wider association we have within the commonwealth will be extended to all the world; that we may indeed celebrate the world becoming one and the fear of aggression and of war being for ever banished from mankind.

A few moments ago I was thinking of the long heritage which, in common with other nations of this commonwealth association, we have inherited from the past. It is well that the students in our schools—particularly perhaps the new citizens who have come to help build this nation, the foundations of which were laid by two great peoples with many common institutions, though of different tongues—should have an opportunity once in a while of learning to appreciate the democratic freedoms which we have inherited from our forefathers and from the events of the past.

We join with others in this house in expressing our appreciation of the Prime Minister's approach to the governments of the provinces and of their response in making this day notable in the lives of the children attending our educational institutions.

Mr. Solon E. Low (Peace River): Mr. Speaker, there is something which always responds when a tribute is paid to our country, to its traditions, its history and its people, as is done on this day in each year.

When I was a mere boy at school it was impressed upon me that the 23rd of May was a day for special thanksgiving that we were born in Canada, or privileged to live in Canada, under the flag and under the traditions of the great empire of which we form a part.

I have always been proud of my Canadian birth and heritage, and proud also of our association with the British commonwealth. I believe that the British empire has not yet sung its swan song; it still has a very great task to perform. I look forward to the day when everyone will realize even more strongly that the society of nations making up the united commonwealth known as the commonwealth of the British countries will go forward unimpeded and with an eye single to the task which Divine Providence set for it many many centuries ago.

I am very happy, Mr. Speaker, that we live in a choice land. Canada is a choice land—choice above most lands of the earth; but it can remain choice only in so far as its citizens realize their responsibilities to their land, to their peoples, and to one another. I hope that our boys and girls, our men and women, as they receive their education in the schools, will be imbued with the spirit and responsibility that goes with and is a necessary part of the freedoms which they enjoy in this country.

FLOOD CONDITIONS

SOUTHERN MANITOBA—PRIME MINISTER'S VISIT—REFERENCES TO PRESS REPORTS—EXTENT OF DAMAGE

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I hope I may take a few moments to make a brief report to hon. members on the visit that the Minister of Justice (Mr. Garson) and I made to Manitoba on Sunday and yesterday. I had hoped to make it at eight o'clock last night. When I got here before eight I was told that before six o'clock some concern had been expressed

about the matter. Coming into the house I found that there were very few members here, and I thought it would be better to wait until there was a somewhat larger attendance. I spoke to you, Mr. Speaker, about it later in the evening, and you informed me that you still had the names of several who had expressed a desire to speak on the motion then being debated. I felt it might not be proper to ask the Chair to interrupt again that interesting debate; consequently I have waited until this moment.

We left here at 10.30 Sunday morning, reaching the Red river valley above Grand Forks in North Dakota about half past three. We then flew downstream all the way to lake Winnipeg, and circled back to land at Stevenson field. The weather was very fine, and from Fort Frances onward we had flown at a relatively low altitude so as to be able to observe everything on the surface.

The extent to which the waters had receded, in comparison with what the Minister of Justice had seen two weeks earlier, was encouraging, though the area still covered with water, particularly north of the boundary, is still very considerable. So far as one can see, there seems to be more water visible than land around the Morris area, and it is obvious that, even under most favourable circumstances, weeks will pass before farm lands are dry, and restoration of order and normal life on the farms will certainly be a big task. Villages and towns in the valley from Emerson to Winnipeg are almost completely flooded, and the task of restoration in that area will be one of considerable magnitude.

In greater Winnipeg itself I got the impression that probably ten per cent of the houses were surrounded by water, and that estimate was later confirmed by a report given of an actual house-to-house count which indicated that something over 8,000 houses had been flooded to some substantial extent, and that almost 2,000 have water above the first floor. The count was taken by experienced employees of Central Mortgage and Housing Corporation, and the figure they gave me was exactly 8,233 with basements more or less filled with water, and of these there were 1,968 with water to a greater or lesser depth above the first floor.

On landing we were met by the premier and Brigadier Morton, and we set out at once to visit the flooded areas and the dikes which are still holding. We went first to municipal headquarters at Fort Garry, and then by boat to the beet sugar factory, where from the roof we had a view of a large part of the flooded area in South Winnipeg, and of the dikes holding back what is called McGillivray lake.

Then we visited the Wildwood dikes and went through part of the flooded area of Wildwood. We went as far as we could with waders, but we could see farther down that in some cases the water was up to half the height of the houses, and quite a number of garages had been overturned and removed from their bases.

After that we drove through the downtown area of Winnipeg, along the causeway on Water street and over the Provencher bridge for a quick tour of the dikes of Norwood and St. Boniface, with a view of the flooded area of St. Vital and the swollen Seine river. In the St. Vital area there is a lake extending from the Red river to the Seine.

We called briefly at the Norwood headquarters, at St. Boniface hospital, which had been evacuated and was used as an adjunct to the headquarters which is fighting the flood, and at the canteen in the Cercle Ouvrier.

Our last visit on Sunday afternoon was to the Scotia street area of North Winnipeg and the Luxton school headquarters. This is almost a marine establishment. There boats are tied up for the convenience of those who wish to go across that area.

We got back to the hotel for dinner at about eight o'clock, and after dinner met quite a large and representative group of citizens and officials who have some of the responsibility for fighting the flood and providing relief. That meeting was followed by a meeting with the mayors and reeves—not of all the municipalities affected by the flood, because there are some which would have found it difficult to get there unless they had been provided with helicopters to take them out and bring them in.

When that meeting was over it was well past midnight Winnipeg time, and we had had a pretty strenuous day. Yesterday morning before leaving Winnipeg the Minister of Justice and I had a brief meeting with nearly all the members of the provincial cabinet, and we then visited the headquarters of the Manitoba flood relief fund and the Red Cross headquarters in the Winnipeg auditorium. What we saw there was very impressive. The Manitoba flood relief fund is being provided with very convenient quarters in one of the best buildings in the city, without rent. Everyone working there is doing so on a voluntary basis, and of the hundreds working at the Red Cross we were told that only ten were paid employees, and that all the rest of

the work was done by voluntary helpers. It was impressive to see that there seemed to be no lack of clothing for immediate requirements. There were plentiful supplies, and we were told there were plentiful supplies of food and clothing.

The clothing department of the Red Cross there is much like a similar department in a large department store, with the sizes graded down or graded up, according to the end from which one starts.

I was greatly impressed by the organization that had been established for fighting the flood, for evacuating the people whose homes had been flooded, and for providing emergency relief and supplies. I was also impressed by the spirit of courage and determination with which everyone seemed to be facing the formidable problems of rehabilitation.

I heard since I came back to Ottawa that there has been some suggestion as to there being a bad odour. There was none noticeable anywhere. Even the water that was being pumped out into the street looked quite clean. I found nowhere any disagreeable odours, and nowhere any people who were not perfectly clean, eager, in good spirit, and confident of the future.

I think at this point I might read to the house the messages I left with the premier and with Brigadier Morton and Mr. H. W. Manning, chairman of the Manitoba flood relief fund. The letter to the premier is as follows:

Hon. Douglas L. Campbell,
Premier of Manitoba.

Before I leave Winnipeg, I should like to ask you to convey to the mayors and reeves and the municipal authorities in the flooded areas, the Royal Canadian Mounted Police in the province, the city and municipal police, the members of other governmental and municipal agencies, the Red Cross and hundreds of other voluntary organizations, and the citizens of the Red river valley generally the expression of my deep admiration of the splendid way the whole population has organized and carried on the fight against the flood.

The long hours of hard work and sheer endurance by thousands of voluntary workers on the dikes and behind the dikes have captured the imagination of our entire country. I know I speak for all Canadians when I ask you to say we are hoping for a speedy end to this time of trial, and that not only Canadians but the people of other friendly countries are translating their sympathy into practical terms to help, both in immediate flood relief and in the earliest possible restoration of normal home life to the families affected by the disaster.

To Brigadier Morton, with whom everyone I came in contact with seemed to be highly delighted, and concerning whom they expressed great admiration, I wrote as follows:

Having seen with my own eyes something of the magnificent and untiring effort being put forth by all three defence services under your direction in fighting the Red river flood and assisting in emergency relief, I feel the service you are rendering to all levels of government, federal, provincial and municipal, merits the highest praise. I should be grateful if you would accept for yourself and convey to the officers and men under your command, this expression of my warm appreciation.

To Mr. H. W. Manning, chairman of the Manitoba flood relief fund, I wrote:

Before leaving Winnipeg I wish to express to you and all those from end to end of Canada who are working so hard to make a success of the campaign for the Manitoba flood relief fund, the satisfaction felt by millions of our fellow citizens that your fund provides a sure and effective way to give the practical help they would like to give to those families in the Red river valley whose homes have been devastated by the floods.

Once the waters recede, we all want to see the unfortunate victims of the disaster return to real homes as quickly as possible, and the Manitoba flood relief fund will be available to help, in ways no other agency is equipped to do, those driven from their houses to restore genuine family homes.

The need of the thousands of families in city and country who have lost so many of the prized personal possessions which make a home of a house has touched the hearts of all Canadians, and your fund gives all the opportunity to help which they will welcome.

As hon. members may have heard, I also met the press. I do not intend to enter into any controversy over the conflicting stories that have been published in the various newspapers about my interview. For instance, there are the reports that appeared in two Winnipeg newspapers, which have probably arrived in town by this time. In some reports things have been left out, and in other reports some things have been emphasized. Hon. members will also note that there are some inaccuracies that would appear to make necessary a clarification of the position of the federal government in relation to the disaster which has befallen the people of the Red river valley in Manitoba. As to our position I do not see how I can improve on what I said right here in this place on April 28, as reported in *Hansard* at page 1981. I refer to the following words:

We shall endeavour to ascertain what the situation is, and then determine what action, if any, should be taken. Hon. members can be assured that it is the desire of the government to treat every part of the country in the same way. Should there ever be in any part of the country the sort of disaster there was in the Fraser river district, the people of that section would be entitled to expect that they would be treated in the same way as the residents of the Fraser river valley were treated.

As a matter of fact I informed hon. members the other day that a commission had been set up to ascertain the nature and the extent of the disaster so that accurate data would be available to determine what grant should be made in that respect. The federal

grant to Manitoba will be based on the facts and on the same principles and considerations which applied to the Fraser valley.

I should like to refer to the Ottawa *Evening Citizen*, which contains a report which seems to have caused some commotion here in the house. I was asked a question by one of the newspapermen at this press conference, and I shall quote from the article which was published yesterday, as follows:

> I asked him what I think was a fair question—after seeing the troubles of these Manitoba people in the Red river valley and here in the city. I said that the people in the flood areas were very, very concerned to know—in a general way—what federal aid might be expected.

I do not remember the words "in a general way". My recollection is that I was asked to indicate what amount the federal government would contribute toward the relief of the disaster. I said that I could not add anything to what I had said in the house, that a commission had been appointed and when the commission made its report we would then discuss with the government of Manitoba the amount of the grant that would be made available on the same principles and considerations as had been followed in the Fraser valley matter.

I was asked a direct question by one newspaperman—and I refer now to the Winnipeg *Tribune*—as to what direct federal aid was forthcoming for the "little man" whose possessions had been lost in the flood. I replied, "Directly, none." I said that our dealings were going to be with the Manitoba government, just as in the case of the Fraser river flood they were with the government of British Columbia.

It would seem that there are some who would rather deal with us than with the government of Manitoba, but that is a desire to which I cannot give effect. The position I took was that our dealings would be with the government of the province of Manitoba, and that they in turn would deal with the municipalities and individuals as they thought might befit their responsibilities in the premises. The federal government gave no direct aid to the people of the Fraser valley; our dealings were all with the government of British Columbia. In the Red river flood matters our dealings will be with the government of Manitoba.

It would be entirely wrong for me to say how the authorities of Manitoba, provincial or municipal, should discharge their responsibilities. I am advised that the government of Manitoba has indicated that it proposes to provide assistance for rehabilitation of families in cases of need. We can all understand and sympathize deeply with the anxiety of families whose homes have been devastated by the flood waters, particularly those who have few resources with which to restore their homes. But I am convinced that the co-operative efforts of governments at all levels with the voluntary agencies, and particularly the Manitoba flood relief fund, will ensure help to all those who need help and who in the true Canadian spirit are ready to help themselves.

I am sure that that is true of all the people I saw in the Manitoba area. I said to them that I was much impressed by the fact that this disaster had not dampened their western spirit of enterprise, and that I was convinced that, great as was this disaster, it was not going to mean any permanent set-back in the development of Winnipeg and the province of Manitoba.

Hon. members will recall that this commission was to deal only with the extent and the nature of the damages, and the cost of the measures taken to fight the flood and the emergency precautions to guard against recurring floods. However, there will have to be some permanent measures taken. General McNaughton, who is a member of the international joint commission, accompanied me, along with two engineers, one from public works and one from the commission. We were joined in Winnipeg by Mr. George Spence. Perhaps I might conclude by reading to the house the statement General McNaughton read before we left Winnipeg, which was as follows:

> With my colleague on the international joint commission I have today flown over the Red river valley and the city of Winnipeg and have examined both the inroads of the water and the protective measures which have been taken. This watershed has been the subject of study by the engineering boards of the international joint commission for some time, and I am here to learn the details of what additional information will be required to prepare a definite plan of flood control. The minister of external affairs of Canada has directed that the work of preparing such a plan be expedited by all possible means, and authorities in the United States agree that this should be done, so there is now no obstacle to the immediate prosecution of the necessary study.
>
> Of the utmost significance is the fact that means exist, through the international joint commission, of co-ordinating plans over the entire river system from its source in the United States to its mouth at lake Winnipeg. Control of the river must be studied by a combination of measures co-ordinated with those in progress south of the border. Various means have been suggested from time to time by qualified engineers to suit local or regional conditions—a canal or floodway around Winnipeg, permanent dikes and pumping stations capable of being raised in case of need, and the diversion of certain rivers into other channels. Many of these projects are sound from an engineering standpoint, but no single solution will meet all the requirements.
>
> A comprehensive survey must be started at once. Before I left Ottawa, the Minister of National Defence had arranged for the Royal Canadian Air Force to take progressive aerial-photographic surveys of the area as the flood recedes, and I am gratified to learn that the Manitoba government has

already taken photographs at the peak of the flood. Existing agencies in this area are adequate to supervise topographical surveys, hydrometric studies and soil drilling.

The work should move without delay into the planning stage. For this purpose a director or chief engineer must be provided with adequate staff to undertake the design and costing of the various engineering works. Such an office, on a full-time basis, would co-ordinate the plans already proposed by local authorities and ensure that they fit into an over-all plan that would be adequate for the whole river system.

I understand that some publicity has been given to the fact that certain control measures, such as the creation of reservoirs or water-storage basins, have been discarded as impractical.

I think from what I saw that it would be impractical. It is a great plain, and there is no place where water can be stored unless you are able to make a hole in the plain. The water cannot otherwise be stored in large volume. From the city of Winnipeg to lake Winnipeg the Red river seems to be capable of carrying in the channel all the water that comes through. There was some flooding there, but not to any alarming degree. From south of the border to Winnipeg the channel of the river is not capable of carrying all the water when all the affluents are discharging their flood streams simultaneously. Fortunately that does not happen very often, but it has happened now at least three times in the last century and a half. General McNaughton goes on to point out that the impracticability of large reservoirs does not mean that there is no solution to the problem. Then he says:

I have no doubt that a solution can be found based on a combination of measures. The nature of such measures must be determined by a thorough survey and study and must be co-ordinated with plans in the United States. The international joint commission is going ahead at once with its work on the broad plan.

I think I should add that I was able to say to the people I met in Winnipeg that there are always silver linings to these dark clouds, as demonstrated by the extent to which the feeling of common humanity exists not only throughout the length and breadth of our own country but also in many other countries.

I should like to table a message I have received, and my reply thereto, from the government of Greece. I should like to confirm the information published in the Ottawa *Citizen* this morning, that the international executive board of the A.F. of L. carpenters and joiners union has made a subscription of $50,000 to the Manitoba flood relief fund. The government of the United Kingdom has been most anxious to do something at once. I understand that the details are being arranged with the authorities in Winnipeg, and that an announcement tomorrow in that regard is expected to be made in the United Kingdom House of Commons.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, I know that every member of the house is most anxious that it should be known in Winnipeg, in the southern part of Manitoba affected, and in Rimouski and Cabano, which suffered disasters during the same period, that there is in the house no division of opinion on the question that their problems should be regarded as the problems of all Canadians. I am sure the government may count on the wholehearted support of all members in everything that can be done to meet the most unusual situations which have developed in these widely separated parts of the country.

The Prime Minister (Mr. St. Laurent) has spoken of the situation in Manitoba, and I shall direct my remarks to it. The flood is the greatest disaster of its kind that has occurred in any settled community in Canada in the history of our country. It would be well for us to keep the problem in that perspective. It is not only the fact that there are so many homes in the city of Winnipeg and its suburbs affected by the flood, but also the fact that over a large area, from Winnipeg south to the border, there are farms which will certainly produce no crops this year, farms on which all the livestock have been lost, on which all the stored feed and a great part of the equipment have been destroyed; farms on which houses and other buildings are damaged to an extent that will be apparent only when the waters have receded and they can be examined; until then it will be difficult to assess the extent of the disaster. The damage to foundations and walls of buildings and furniture cannot be measured while the water is still there.

One thing which undoubtedly will be most helpful in maintaining the morale of all those affected is the knowledge that there have been such spontaneous expressions of sympathy and offers of practical assistance from every part of Canada in meeting the loss that has been incurred. One thing which undoubtedly emerges from what has taken place is the remarkable way in which personnel having to do with voluntary help has achieved so much without any preliminary training to undertake that particular task. The remarkable adaptability of our people is made evident by the fact that those who had no previous instruction were able to take their part in meeting such an unusual and unexpected threat.

There is also the heart-warming fact to which the Prime Minister has referred, the striking evidence that has been given of the extent to which we are one family community, and of the extent to which the difficulties that may be encountered by Canadians in any one part of the country are shared as the personal responsibility of Canadians in every other part. It is a source of deep satisfaction to every one of us, as well as to those who will benefit from the activities of the Manitoba flood relief fund, that this organization should be receiving such truly remarkable support. It is a reminder of the way in which people gave their time and their efforts during the years of the war to see people putting their efforts into so many different activities which may in some way help those who are not personally known, but with whom under circumstances of the kind there is a close and intimate bond. Every Canadian will hope that the weather will be advantageous to a continuing recession of the flood waters, and every Canadian will certainly want to see the government of Canada take its full part in assisting in whatever way it can.

Undoubtedly it will help to ease the concern of many people if an announcement is made, at as early a day as possible, as to what is actually going to be done. One can only attempt to put oneself in the position of those who have built their houses, created the intimate surroundings in which their families are being brought up, developed their farms or gardens, and have seen all that destroyed. As they look into the future they will of necessity ask themselves what resources they will have to enable them to rebuild what has been destroyed. Some will be in a more fortunate position than others. I recognize, as I know every hon. member in this house recognizes, the tremendous difficulties involved in dealing with a problem on this scale, a problem which has not yet taken its final form. I feel sure, however, that all the members of this house will wish that, as soon as possible and with as much certainty as possible, those who now have to plan for the future may know exactly how they will be able to do it.

There are many lessons to be learned from what has taken place. Those lessons can be discussed at another time. Today I simply join with all others in this house in expressing admiration of the magnificent example of the people of Manitoba, both in the city of Winnipeg and throughout the whole countryside, and in praying that Providence may soon lower the waters so that the people may begin to rebuild their property.

Mr. Stanley Knowles (Winnipeg North Centre): I should like to ask the Prime Minister whether the government expects to be able to bring in a supplementary estimate during this session with respect to this situation. I have in mind the fact that that is what was done in 1948 with respect to the Fraser valley situation. I realize that the Shaw-Carswell commission may be delayed in making its report, but I hope there will at least be a preliminary item in the supplementary estimates before the end of this session.

Mr. St. Laurent: The commissioners attended this meeting with representative officials and citizens. It was strongly impressed upon us all that it was desirable to make as accurate an estimate as could be made, but to make it as expeditiously as possible, for the very reasons mentioned by the leader of the opposition.

With respect to the provision of a supplementary estimate at this time, I can assure the hon. gentleman that all measures will be proposed to parliament that may be required to avoid any delay in taking necessary action.

Mr. Ralph Maybank (Winnipeg South Centre): I rise on a question of privilege, in connection with a newspaper article dealing with this same subject. There is a report in the Ottawa *Evening Citizen* to which I wish to refer. Before dealing with this article, if I may be permitted, I should like, as one of the members from the city of Winnipeg, to express my own thanks and the thanks of the people of the city of Winnipeg, as well as those of the people of the Red river valley, to the leader of the opposition (Mr. Drew) for his prompt agreement with the sentiments expressed by the Prime Minister (Mr St. Laurent). I feel that I am justified in expressing the same thanks to every member of this house for the sympathy that has been extended by all of them to the affected people. It is only natural, perhaps, that I should take pride and pleasure in the references of a laudatory nature that have been made to the affected people. I do take that pride, and I desire as emphatically as possible to thank all members, particularly the leader of the opposition, for the way in which this matter has been dealt with so far.

I wish now to refer to a report which appeared in the Ottawa *Evening Citizen* of May 22, concerning the Prime Minister's trip. It makes reference to the press meeting, and Mr. Ross Munro says this with reference to attendance at that meeting:

> He had come from a Liberal party reception downstairs in the hotel and was returning to it.

Manitoba Flood

Mr. Speaker, I know whereof I speak when I say that there was no such reception. There was no party reception; there was nothing whatever political in connection with the visit of the Prime Minister. The so-called reception was partly arranged by me and partly by Premier Campbell, in the belief that it would be well if certain leaders in connection with flood control, the mayors and reeves, could all be brought together for the purpose of talking with each other and speaking with the Prime Minister. Premier Campbell called some of these people and I called some. Those whom I called were such persons as the president of the Manitoba relief fund, the mayors and reeves, some engineers; and they were the people who were at that meeting. There were about fifty altogether. There were two men interested in flood control who had been either sent there from Washington or who came of their own volition. I did not even know the political complexion of more than twenty-five per cent of the fifty people who were present.

The leader of the Conservative party in Manitoba, Mr. Errick Willis, was there. Mr. McLenaghen, the attorney general, who is from the Conservative side of the coalition in Manitoba, I think was there, but I will not say for certain. I wish to assure you, Mr. Speaker, and the house that that is the only sort of meeting that there was in Winnipeg at that time.

This flood matter in Winnipeg and in Manitoba is far too important for any person to use it for political purposes. I am confident that there is no member in this house—and at the moment I happen to be looking at those of the parties of which I am not a member—who would descend to making any such use of this so tragic situation. In assuring people as I do on my honour of the nature of the meeting that was held, I just wish to close my remarks to the house this afternoon in the same strain as I opened them, by impressing on hon. members the fact that I know there is no person within the sound of my voice who would make political use of this tragic situation; and second, again to express with deep sincerity my thanks and the thanks of the people of Winnipeg and of the Red river valley for the unanimity of the sympathy that we have already seen exhibited in this chamber.

Mr. J. A. Ross (Souris): Mr. Speaker, I should like to ask a question of the Prime Minister (Mr. St. Laurent), and I realize that the question may be difficult to answer. It is this. Has he any idea as to when a report might be expected from the commission? I ask that question for this reason. There is a variation in the wording of the two orders in council, the one for the Fraser river valley disaster and for this one. As has been pointed out by the previous speaker and others, this is a much greater disaster than the Fraser valley one. The matter of the Fraser valley disaster was first raised in this House of Commons, and rightfully so, by the hon. member for Fraser Valley (Mr. Cruickshank) on May 28, 1948, and there was extremely quick action. The then prime minister on June 9 of that year announced in this house a grant, without many strings attached to it either, of $5 million. At that time the hon. member said that was just a token grant. I am happy now that he is quite pleased with the final settlement.

I point this fact out because, as my leader has said, there is great concern amongst these many thousands of people as to whether they will have anything with which to rehabilitate themselves in certain categories. The sooner, therefore, that they may be given a lead from the government, the better. I am pointing out that already there was far greater action at this stage in connection with the Fraser valley flood, which was not as great as this one, having regard to what has happened. I realize that it may be difficult for the Prime Minister to say when he may expect a report from this commission. Then I want to know whether there has been a request for an interim grant to the provincial government, if they cannot make a definite report for some length of time; because some encouragement should be given to these people by telling them on what basis they will be assisted. It will be of great help if that can be done.

Mr. St. Laurent: To answer the last question first, I have no knowledge of any request for an interim grant having been made. In the second place, I was asked in this news conference if any time limit had been set upon the work of these commissioners in preparing their report. I made the answer—and it is the only answer that I can make now—that we tried to choose people upon whom we did not have to put a time limit; that we thought they appreciated the situation and the conditions as well as anybody else; and that I was sure they would continue the work they had already started on Sunday and proceed with it just as expeditiously as possible. But it will be some time before there can be anything even approximate with respect to the amount of damage done. I am told that there are some of these houses which will not have been damaged otherwise than made wet and probably the plaster injured inside, but from

which the outer sheathing will have to be removed in order to allow the insulation either to be replaced or to dry out.

Mr. Ross (Souris): That is true; a good many.

Mr. St. Laurent: And then it will not be possible to make even an approximate estimate of the amount of household effects lost until people are able to get back. The mayor of Winnipeg told me that they were fortunate in having had no increase in disease, and no epidemic of any kind. He said that they were going to be extremely careful to see that the people did not go back too soon and that they did not do anything that might occasion an epidemic.

Mr. L. A. Mutch (Winnipeg South): Mr. Speaker, when the members of this house had an opportunity about a week ago to say a word or two about the flood which has so gravely affected my province, my city and my riding, I had no opportunity to say anything because at that time I was there. If the house will permit me, representing a constituency which contains, I should think, slightly more than half of the abandoned homes in the flooded area, I should like to say a word or two in connection with the statement made today.

I spent eleven days there, three at one time and eight at another. I did not fly over the area. I did not see the drama angle of it. I walked over it the first time. I travelled by boat and high-wheeled truck through most of the streets in that area on my second trip, and I am proud to report to the house my complete agreement with everything that has been said with respect to the spirit, the co-operativeness and self-help of the people in that constituency. I am so greatly impressed with this that I have all the more burning desire to see to it that that type of self-help and co-operativeness should be rewarded by assistance from government at all levels. For that reason I have had a great deal of pleasure listening to the remarks of the Prime Minister (Mr. St. Laurent), the Leader of the Opposition (Mr. Drew), and the leaders of the other parties. I want to say to the house that if you want an appreciation of what has happened, you cannot describe a catastrophe of this sort by telling how far the water is up or down the wall, how many bridges are washed out or what the damage is to streets and to public utilities generally. If you want to realize what is involved, you should stand at the end of a shuttle service when people are being removed from their homes with a few sandwiches and the clothes they can carry. You need to watch them as they are being sorted out and are being sent to the places to which they are going, in order to realize the magnitude of their losses.

The Prime Minister said that there are some 1,900 houses with water up to—

Mr. St. Laurent: Over the first floor.

Mr. Mutch: Yes, over the first floor. I do not know who counted them, but I am reasonably certain they did not get outside south Winnipeg in making the count. I would imagine that the figures came from a group whose tendency in reporting has been at all times, I think, to minimize the extent of the damage. At any rate, I know where there are two or three hundred where it is well over the second floor, and I have seen a few where it was well up on the roof. I have been driven in a motorboat over the clotheslines in the backyards of one street: in that group there were three hundred in all with water close to the roof. There are other groups where I have looked through windows and watched china cabinets floating upside down and seen chesterfields bobbing up against the upper front windows. When you interpret that in terms of what it means to homes and home-making, all of the things which this government, the province of Manitoba and the municipalities can do can only fall far short of the real requirements, if we are to restore these homes. The number has been given at 13,500 homes—I doubt if it is an exaggeration—which are to some extent flood damaged in the rural, urban and suburban area. I will not dispute it. If one can think of it in terms of that many homes then the response to the appeal for relief will be as generous as Canadians know how to make it, and this house would not only support this government wholeheartedly but would push it, if it were necessary, into the kind of generosity which has been indicated today this house is willing to give.

I have not spoken demandingly before because I never could see there was any sense in kicking people whose help you need. There are many whose estimates with respect to flood damage have been reasoned and sound; but there are others, who when they talk in terms of $10,000 think they are speaking of high finance.

Mr. Ross (Souris): Hear, hear.

Mr. Mutch: My hon. friend knows some of them as well I do. We need a general public movement to bring about realization that this tragedy has not been overestimated. On the other hand, it is good to hear that it is not being underestimated by the authorities who propose to deal with it.

I think I know every street and almost every house in most of flooded south Winnipeg.

If I had not walked them in the last fifteen years I would not be here today. Of all the stories that I have read I have only seen one that overestimated the damage in the country. I believe that most of them have underestimated it. I know that our people will be grateful now that we seem to be moving forward to give the help that this house, this afternoon, through the leaders of the different parties has indicated this parliament wishes us to give.

Mr. G. A. Cruickshank (Fraser Valley): Mr. Speaker, I shall be brief, but I should like to say a word or two on this subject. I happen to represent the Fraser Valley riding which was flooded in 1948. Probably from personal experience I know as much about flooding as others. My own farm was flooded at that time. I want to tell you, Mr. Speaker, that I think I speak for every hon. member—

An hon. Member: Are you sure?

Mr. Cruickshank: I think I do. I have confidence that every member of parliament will see that justice is done to Manitoba.

In 1948 I had the privilege of taking the present Prime Minister (Mr. St. Laurent) around the Fraser valley flood. He was taken around in the air, of course. We flew over it; but we also went on foot, in boat and by motorcar. The present Prime Minister of Canada reported back to his prime minister, Mr. Mackenzie King, at that time. With the unanimous approval of the members of all parties in the house justice and kindness were done to the people of the Fraser river valley and we appreciated it.

The present Prime Minister has intimated that a similar procedure may be adopted in connection with the Manitoba floods. If hon. members will check back *Hansard* they will see that I, as the representative of Fraser Valley, which unfortunately was the district flooded out in British Columbia, openly water receded. Nobody could, engineer or admitted that we could not estimate the damage that had been done until the layman.

The prime minister of the day, on the advice of his minister, at that time intimated that justice would be done to us, and it was done. I would particularly like to say on behalf of the people of my riding that not only did the government of Canada treat us fairly, but the people, through their private donations, treated us in the most generous manner. In the Fraser river valley we shall never forget it. We are not too sure about this year. The water is very much the same as it was in 1948. I certainly hope that the people in my riding, through the Red Cross and otherwise, will respond to the plight of the people of Manitoba, as the people of Canada and of parts of the United States responded to us in 1948. I can assure the Prime Minister that, in my opinion, he will have the support of every member of this House of Commons in seeing that Manitoba is treated as fairly as we were treated in the Fraser river valley in British Columbia.

COMMITTEE TO RECEIVE CONTRIBUTIONS TO MANITOBA FLOOD RELIEF FUND

Mr. W. G. Weir (Portage-Neepawa): Mr. Speaker, I ask the indulgence of the house on a matter of privilege. Incidentally, it was not expected, so far as I am concerned, that the discussion would have continued so long or take the trend that it has. Nevertheless I think it is helpful and encouraging, and will be greatly appreciated by the people of Manitoba, particularly by those who are in such difficult circumstances at the present time.

With the indulgence of the house I should like to make an announcement in respect of flood relief in Manitoba. The announcement is as follows: the people of the province of Manitoba, and particularly those of the towns and farms along the Red river from the United States boundary to lake Winnipeg, and in the municipalities adjacent to the city of Winnipeg, as well as the city itself, are experiencing at the present time one of the worst economic disasters that have ever occurred in any part of Canada.

The extent of the damage, and the loss in property and personal effects caused by the flooding waters of the Red river, may never be properly assessed or recovered.

That government assistance will be needed on a huge scale there is no doubt. Already there have come generous offers of assistance from other provinces, and from sources outside Canada, but more will be needed. With the object of assisting in the rehabilitation of those whose homes and properties have been destroyed, a voluntary flood relief fund has been established. It is known as the Manitoba flood relief fund. The chairman of the fund is Mr. H. W. Manning, president of the Great West Life Assurance Company, Winnipeg. The objective is to raise $10 million.

Believing that there are many members of the Senate, the House of Commons, the press gallery, the staffs of the Senate and the House of Commons, as well as other Ottawa people who would like to contribute to this fund, representatives from Manitoba have organized a committee which will be prepared to accept contributions to this fund. The personnel of the committee is as follows: W. G. Weir, House of Commons; J. Arthur Ross, House of Commons; Stanley H. Knowles, House of Commons; Hon. A. L. Beaubien, the

Senate; Chester A. Bloom, press gallery; John Bird, press gallery; L. Clare Moyer, staff of the Senate; H. Crossley Sherwood, staff of the House of Commons. Any member of this committee will accept contributions and arrange to issue the proper receipt. I might add, Mr. Speaker, that a similar announcement is being made in the Senate this afternoon.

I thank the house for its courtesy in allowing this announcement to be made at this time.

BRITISH COLUMBIA—TABLING OF REPORT OF RELIEF COMMISSION

Mr. James Sinclair (Parliamentary Assistant to the Minister of Finance): Mr. Speaker, on Friday last, the hon. member for Winnipeg South (Mr. Mutch) asked the Minister of Finance whether he would table the interim report on the flood situation in the Fraser valley, dated June 13, 1948. I now beg leave to table two copies of the interim report.

INQUIRY AS TO FURTHER REPORTS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask the parliamentary assistant to the Minister of Finance if there are any other reports with respect to the Fraser valley situation other than the one he tabled today for the hon. member for Winnipeg South (Mr. Mutch). If so, could such reports be tabled?

Mr. James Sinclair (Parliamentary Assistant to the Minister of Finance): I am not aware of any others, and I made inquiries. There is of course the report of the diking commission, but this was an interim report of the rehabilitation commission. However, I shall make further inquiries.

Mr. Knowles: I understood it was with respect to rehabilitation. Was there to be a final report?

Mr. Sinclair: I shall have to look it up. It is two years since it happened.

RED RIVER VALLEY—REFERENCE TO INTERNATIONAL JOINT COMMISSION

On the orders of the day:

Mr. J. A. Ross (Souris): Mr. Speaker, I should like to ask a question of the Acting Secretary of State for External Affairs further to the question asked by the hon. member for Peel (Mr. Graydon) on May 17. When did the international joint commission set up this board of engineers to make a report about that condition, namely, Red river flooding? When he has that information I would ask him to give the names of the engineers comprising the board. The last report was on January 12, 1948. With two severe floods occurring since then, that is not a very satisfactory state of affairs.

Hon. Brooke Claxton (Acting Secretary of State for External Affairs): The hon. member is supposed to put a question and not make a speech. I can easily get the information for him, but I should say at once that it is not correct to imply that no action has been taken since 1948, or any other date. As a matter of fact four interim reports have been made since. I shall get the information for the hon. member.

Mr. Graydon: They did not do much about the floods, then.

FEED GRAINS

SALES BY WHEAT BOARD—REFERENCE TO ANSWER TO QUESTION ON MAY 22

Mr. J. G. Diefenbaker (Lake Centre): Mr. Speaker, on a question of privilege, some weeks ago I asked the following question, which was answered yesterday at page 2695 of *Hansard*, as follows:

1. How many bushels of (a) feed oats; (b) feed barley, were sold by the wheat board to feed merchants, dealers or brokerage houses in each of the months beginning in December, 1949, and to date?
2. What was the average price received for each of said grains in each of said months?

The answer I received was as follows:

1. It is not the policy of the Canadian wheat board to divulge its sales position within the crop year in which it is operating.
2. See answer to No. 1.

Really, that last answer was surplusage. I rise to make strong objection to the type of answers hon. members in this House of Commons are receiving in respect of so many matters concerning which parliament is entitled to information.

Mr. Speaker: Order. I suggest to the hon. member that this is not the time to raise a grievance. He has made a short statement, but a general discussion cannot be allowed at this time.

Mr. Diefenbaker: Well, I rise to a question of privilege affecting every member of the House of Commons who should be entitled to have information rather than have it hidden from him.

Mr. Speaker: The hon. member has risen to what he has described as a question of privilege, in which he has objected to the answers given to certain questions. Now he wishes to generalize. I do not think it is proper to do so at the present time.

Tariff Board Act

TARIFF BOARD ACT

AMENDMENT WITH RESPECT TO APPEALS UNDER OTHER ACTS

Hon. Alphonse Fournier (for the Minister of Finance) moved for leave to introduce Bill No. 236, to amend the Tariff Board Act.

Motion agreed to.

Mr. Speaker: When shall the bill be read the first time?

Mr. Fournier (Hull) moved that the bill be read the first time.

Mr. Graydon: After an explanation.

Some hon. Members: Explain.

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

Mr. Casselman: Explain.

Mr. Speaker: Order. I might inform the house that the explanation should have come on the motion for leave to introduce the bill, not on the motion for first reading.

Mr. Casselman: We asked for it then.

Mr. Speaker: It is not permissible to debate the motion for first reading.

Motion agreed to and bill read the first time.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 223, for the relief of Marilyn Ruth Cohen Novak.—Mr. Winkler.

Bill No. 224, for the relief of Mary Elizabeth Bernatchez Russell.—Mr. Winkler.

Bill No. 225, for the relief of Winnifred Evelyn Thompson Clift.—Mr. Winkler.

Bill No. 226, for the relief of Maida Maria Howard Martin.—Mr. Winkler.

Bill No. 227, for the relief of June Hedy Leshynska Thompson.—Mr. Winkler.

Bill No. 228, for the relief of Rosemary Smalley Carrier.—Mr. Winkler.

Bill No. 229, for the relief of William Arthur Goodson.—Mr. Winkler.

Bill No. 230, for the relief of Dorothy Melbourne Davis Wand.—Mr. Winkler.

Bill No. 231, for the relief of Frank Lear Rogers.—Mr. Winkler.

Bill No. 232, for the relief of Roma Leduc. —Mr. Winkler.

Bill No. 233, for the relief of Edna Rosaline Casavant Dufresne.—Mr. Winkler.

Bill No. 234, for the relief of Leo Berger. —Mr. Winkler.

OFFICIAL SECRETS ACT

ƧRSONS LISTED IN NOTEBOOK OF KLAUS FUCHS

On the orders of the day:

Mr. E. D. Fulton (Kamloops): Mr. Speaker, I should like to ask a question of the Minister of Justice, of which I have sent him notice. Has there been any examination or re-examination of the loyalty of any of the 150 persons then resident in Canada listed in the notebook found as a result of the espionage investigations of 1945 and 1946, since the trial of Dr. Fuchs?

Mr. Speaker: Order. Is there any reason why that question could not be placed on the order paper? Is there any urgency? I think it should appear on the order paper.

Mr. Claxton: Something like it is on the order paper now.

Mr. Fulton: Might I comment upon that? The reason I asked the question at this time orally rather than through the order paper is that the trial of Dr. Fuchs disclosed that there were persons—there was one name mentioned —engaged in espionage. I felt that for that reason, and in view of certain disclosures in committee recently, there is urgency in the matter.

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, as my hon. friend has correctly stated, he gave me notice of this question last week. I then telephoned to him suggesting that it was one dealing with security, and that before answering I should like to discuss the question with the Commissioner of the Royal Canadian Mounted Police, who was then absent from Ottawa. I myself was also absent from the city over the week end. Upon getting back to Ottawa I noticed that my hon. friend had placed two questions on *Votes and Proceedings* dealing with the same subject matter which, I assume, supersede the one he is now asking.

For that reason I should like to take his present question as notice, and bring down the answers to the three of them tomorrow, because they will have to be integrated with one another.

COMMONWEALTH CONFERENCE

SYDNEY, AUSTRALIA—COMMUNISM IN SOUTHEAST ASIA

On the orders of the day:

Mr. Howard C. Green (Vancouver-Quadra): I should like to ask a question of the Acting Secretary of State for External Affairs. Apparently the commonwealth conference held at Sydney to consider ways and means of helping resist communism in southeast Asia was terminated last Friday or Saturday. Could the minister give the house a statement concerning the results of that conference?

Hon. Brooke Claxton (Acting Secretary of State for External Affairs): I shall be very

glad to do so, as soon as the information is available. It is not fully in yet; when it is in, I shall be glad to make a statement.

UNITED NATIONS

ECONOMIC AND SOCIAL COUNCIL—DRAFT COVENANT ON HUMAN RIGHTS

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): Mr. Speaker, I should like to ask a question of the Acting Secretary of State for External Affairs in reference to the covenant on human rights and fundamental freedoms that is now to be submitted to the economic and social council. That body will meet in Geneva on July 3, after which this covenant will be subject to ratification by the various parliaments composing the members of the United Nations.

Is it the intention of the government of Canada to set up any committee of the House of Commons to consider this draft covenant and to make such recommendations for the use of the Canadian representative who will appear on the economic and social council as parliament may deem proper and necessary?

Hon. Brooke Claxton (Acting Secretary of State for External Affairs): Mr. Speaker, it will be recalled that the universal declaration on human rights was approved by the general assembly of the United Nations on December 10, 1948, by forty-eight votes in favour to none against, with nineteen abstaining, and with the Canadian vote in favour. My understanding is that the covenant to which the hon. member refers, generally speaking, will be based upon the declaration of human rights. That has been already the subject matter of a wide discussion in the house and elsewhere, and consequently it does not seem that it would be useful at this time to set up a committee to go into the covenant.

NATIONAL HARBOURS BOARD

INQUIRY AS TO ADDITIONAL BERTHING CHARGES AT VANCOUVER AND NEW WESTMINSTER

On the orders of the day:

Mr. Howard C. Green (Vancouver-Quadra): I should like to direct a question to the Minister of Transport. This afternoon we received information by wire from Vancouver to the effect that the national harbours board and other bodies owning or controlling wharfage are planning to put on an additional berthing charge to commence next week and to apply to all docks in Vancouver and New Westminster harbours. Can the minister state whether that additional charge has been agreed to here and whether there is any possibility of having it held off until an investigation has been made?

Hon. Lionel Chevrier (Minister of Transport): I did not get the hon. member's question until shortly before coming into the house and so was not able to get all the information I would require to answer the question fully. I shall deal with the question as generally as I can. I received similar telegrams, as did the parliamentary assistant to the Minister of Finance (Mr. Sinclair) and other members from the west coast, complaining about the charge. A berthage charge already exists for vessels that are idle in the ports of New Westminster and Vancouver, but that charge is being extended to working vessels. The charge has been authorized by the British Columbia wharf operators association which is made up of the owners and operators of wharves. Because of financial requirements and other reasons that association, of which the national harbours board and Canadian National Railways are members, decided to put on this new berthing charge effective June 1.

This is a charge which exists in other ports and the association decided that it needed the additional revenue. The national harbours board has been informed that the imposts in Vancouver and New Westminster are far lower than those in the Pacific coast ports south of the border. The national harbours board is following the decision of the British Columbia wharf association. For the information of the house there are some 47 or 48 private wharves in Vancouver, of which seven or eight are operated by the national harbours board.

Mr. Green: Will the minister make a further investigation into this increased charge?

Mr. Chevrier: I do not think I need make any further investigation. I said I could give a general statement and that is what I have given. The national harbours board has decided to follow the decision of the British Columbia wharf association and the imposts will go into effect on June 1.

CUSTOMS TARIFF

ITEMS ON WHICH UNITED STATES TARIFF HAS BEEN REDUCED

On the orders of the day:

Mr. G. K. Fraser (Peterborough West): When we were discussing the tariff items on May 17 I asked the parliamentary assistant to the Minister of Finance if it would be possible to secure a list of the 2,500 United States items on which the tariff had been reduced and at that time the parliamentary

assistant said that the list was available to any hon. member who wanted it. I wonder when I shall be able to get that list?

Mr. James Sinclair (Parliamentary Assistant to the Minister of Finance): Within the next day or two.

SUPPLY

Hon. Alphonse Fournier (Minister of Public Works) moved that the house go into committee of supply.

SENATE REFORM

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, availing myself of the opportunity which is presented by this motion, I wish to introduce a subject which I believe does require definite consideration. For three-quarters of a century there has been considerable discussion in the House of Commons, in the other branch of our Canadian parliament and among people generally of the need for Senate reform. As in most other democratic countries, our constitution provides for two legislative bodies with very similar functions except for the fact that the upper house may not initiate any measures calling for the expenditure of public money.

The historic reasons for having two branches of parliament are familiar to every student of government. For centuries it has been generally agreed that it is wise to have an upper chamber which can exercise proper restraint over hasty and ill-considered legislation and which will also to some extent be removed from the direct effects of sudden swings of sentiment which might carry any democratic government too rapidly away from its charted course.

In nations with a federal constitution the second chamber has a special purpose, which was very much in the minds of those who adopted the resolutions passed at Quebec in 1864, calling for a non-elective upper house in Canada. It is to provide a parliamentary body under which the constitutional rights of the provinces will be protected by a parliamentary body which by the method of its choice is designed to preserve the particular interest of all provincial and other minorities.

Like the weather, the Canadian Senate has been a constant subject of discussion for a very long time without anybody doing much about it. As far back as the session of 1886 a motion was presented to the House of Commons which read in part:

> That appropriate steps should be taken to secure such amendments of the British North America Act as to make the Senate directly responsible to the people of the several provinces of the dominion.

That motion was defeated. Since then no serious attempt has been made to give effective consideration to the reorganization of the Senate, although from time to time proposals have been made for its abolition.

I believe that a substantial majority of the members of this house would not entertain the idea of a one-chamber parliament for Canada. I am sure that the most vigorous objection to any such suggestion would come from the provincial legislatures at a time when the upper house assumes greater importance than ever before as the custodian of provincial rights, now that the Supreme Court of Canada is to be the court of last resort for all legal proceedings in this country including the determination of constitutional issues.

It is particularly significant that during the past few weeks several careful and constructive speeches have been made by members of the Senate emphasizing the need for reform of that branch of our parliamentary system, if it is to fulfil the purpose for which it was created.

The contention of several of those who have spoken in the Senate chamber and outside can be summed up in the words used by the mover of the resolution to which I have already referred, when he said to the House of Commons in 1886:

> The purpose which a second chamber was intended to serve in our parliamentary system has not been secured by the Senate as it is now constituted.

The debate on that motion, which Sir John Macdonald opposed and Sir Wilfrid Laurier supported, indicated fairly general agreement with the proposition contained in the words which I have quoted. The motion was defeated but the differences of opinion, expressed by the members who spoke, related to procedure rather than to purpose.

Over the years, criticism has been directed to the Senate, both by those who thought it interfered too much with the decisions of the House of Commons and by those who thought that it exercised too little independent judgment of its own. This point was covered by Sir John Macdonald when he introduced a motion in the house of assembly asking for approval of the resolutions adopted at the Quebec conference of 1864. These were his words:

> There would be no use of an upper house if it did not exercise, when it thought proper, the right of opposing or amending or postponing the legislation of the lower house. It would be of no value whatever were it a mere chamber for registering the decrees of the lower house. It must be an independent house having a free action of its own, for it is only valuable as being a regulating body, calmly considering the legislation initiated by the popular branch, and preventing any hasty or ill-considered legislation which may come from that

body, but it will never set itself in opposition against the deliberate and understood wishes of the people.

Criticism of the Senate has been on two main grounds, one that it unreasonably opposed legislation passed by the House of Commons, and the other that it proposed and initiated nothing. It is not my intention to deal with the validity of either of these criticisms. An examination of *Hansard* and of reported public speeches does, however, indicate the extent to which criticism has ranged, from the contention on the one hand that the Senate unreasonably obstructed legislation, and on the other hand that it arrives at no independent decisions of its own, and has in fact become "a mere chamber for registering the decrees of the lower house." Whatever justification there may be for criticism on either of these grounds, or for other reasons so often put forward in parliament and outside, we cannot safely disregard the fact that there is widespread criticism of the present constitution of the Senate of Canada. There is a growing demand from within the Senate itself, as well as outside, for reforms which will make the upper house an effective part of a bicameral parliamentary system attuned to the needs of a vigorous and expanding democracy, while at the same time preserving and strengthening those safeguards of our federal constitution which provided one of the primary reasons for creating the upper house.

Quite apart from these reasons of particular historic interest to Canadians, there is a generally accepted reason for the existence of a second chamber, which was very well stated by Sir Clifford Sifton after some twenty years' service in the House of Commons. He said:

> No nation should be under unchecked, single-chamber government. According to my experience, the will of the people is very often better expressed after a check and after a period of searching and critical discussion which generally arises from such a check, than it is in the first instance.

These are the words of a man with considerable experience in the public affairs of Canada. There is, however, another reason of special significance today why we should recognize the importance of an upper house which conforms to the needs of our own parliamentary system. In explaining the decision of the Quebec conference of 1864 to constitute an appointed upper house, the Hon. Mr. Campbell said this:

> The main reason was to give each of the provinces adequate security for the protection of its local interests, a protection which it was feared might not be found in a house where the representation was based upon numbers only, as would be the case in the general assembly.

That reason was constantly before the fathers of confederation. So much was it in the minds of those who met at Quebec in 1864 that the fourteenth resolution calling for the creation of an upper house provided that the first appointments should be "upon the nomination of the respective local governments." That this was not done in no way weakens the evidence which this resolution provides that those who were responsible for making this country one nation fully recognized the important part the Senate should play in preserving those provincial rights which found expression in the British North America Act.

Now that the Supreme Court of Canada is to become the final court of appeal, and steps are also being taken to establish a procedure for amending our own constitution in Canada, this particular responsibility of the Senate assumes even greater importance than it had during the pre-confederation debates, or at the time of the passing of the British North America Act itself. For that very reason it seems most unlikely that final conclusions can be reached by the dominion-provincial constitutional conference unless reform of the Senate is considered at the same time. Not only should it become the effective legislative body which the senators themselves desire, but it should also assure constitutional safeguards which will prevent any tampering in the future with those fundamental principles which are the very bedrock of our national unity.

I do not think there is any need to extend the arguments in support of Senate reform. Almost everyone is agreed on this subject. The only question seems to be how and when it is to be done. In view of the fact that the subject has already been brought forward during the opening stages of the dominion-provincial constitutional conference, it seems that the time to deal with this question is now. If the appropriate steps are taken to review the mass of evidence and opinions which have accumulated over the years, and the subject is approached in a non-partisan manner and with full recognition of the fact that the Senate must be a party to any proposals put forward, then I think the subject should be given consideration without delay by a joint committee of this house and of the Senate, appointed with due regard to all political, provincial and geographical considerations.

No matter what opinion there may be as to the legal or constitutional position, I think it would be folly to bring about the Senate reforms which are so generally desired without full recognition of the fact that the

provinces have a very direct and vital concern with the freedom, efficiency and authority of the Senate. This concern of local government in the power and responsibility of the upper house is a much more important consideration in a nation with a federal constitution than in a nation such as England with a single government.

While it was the desire to have the Canadian parliament as much as possible "a transcript of Westminster", nevertheless those who drafted our constitution were greatly influenced by the federal constitution of the United States. In fact the Canadian Senate bears a much closer resemblance to the Senate of the United States of that time than it does to the House of Lords. True, the senate of the United States was not appointed for life, but under their constitution each state legislature, without regard to the size of the population of the state, appointed two members to the senate of the United States. That was the way in which their senate was created and the way in which it functioned until May 31, 1913, when it became an elective senate under the seventeenth amendment.

Although the state legislatures of the United States no longer have the right of direct appointment, nevertheless minority and local rights are protected by the fact that the same number of senators are appointed for each state. Little Rhode Island appoints its two senators, who have the same rights and the same number of votes at Washington as have the two senators from the state of New York, with its enormous population.

It is not my intention to suggest what the reforms should be or how the Senate should be appointed. There are those who believe it should be elective. There are those who believe it should be partly elective and partly appointed. There are those who believe that it should be partly appointed by the dominion government and partly by the provincial governments. There are many other proposals. All should be considered.

The main point is that on a non-partisan basis there should be careful consideration of every reasonable suggestion made for the purpose of bringing about those reforms which are necessary to make the Senate an efficient and vigorous legislative body within our parliamentary system, and at the same time so constitute it and clothe it with the necessary authority as to protect those local interests, which it was intended by those who drafted our constitution should at all times be protected.

I do not propose to go into details of the cost of the Senate to the people of Canada. In sessional indemnities, travelling expenses, official and secretarial service, allocation of building accommodation, to say nothing of the maintenance of the Senate chamber itself and all that goes with it, the figure runs into several million dollars. I do not know that it has ever been segregated in detail. That would only become an important consideration, however, if we were considering the possibility of doing away with the Senate entirely. I, for one, am strongly opposed to any such suggestion. I believe that to be the sentiment of the great majority of the members of this house, and of the people of Canada. The fact that the people of Canada are asked to contribute such large sums of money for this purpose does offer an added reason why the arguments of senators and others should be heard, and that steps should be taken without further delay to make those preliminary inquiries on a non-partisan basis which are the essential requirements for the satisfactory consideration of those reforms which could be adopted with the least possible delay.

I shall introduce a motion calling for the appointment of a joint committee of this house and the Senate. If such a committee is appointed immediately, a preliminary report should be available before this house rises, in view of the fact that the whole field has been so fully canvassed in all the discussions which have taken place. I would remind the members of this house that many of the most important national constitutions now in existence were drafted in less time than remains before this house will rise at the end of the present session. If for any reason it were not possible to make recommendations within that time, the government can arrange for the inquiry to be continued while the house is not sitting by giving the same members of the house and the Senate that authority which has been given under similar circumstances on other occasions.

What I do wish to emphasize is the very great importance of having some recommendations which indicate the thoughts of the members of both houses, without regard to party affiliation, so that when the representatives of the dominion government meet the representatives of the provincial legislature later this year suggestions may be put forward which can be further examined, so that all governments will be in a position to present suggestions to their own legislative bodies when they meet next year.

At a time when democracy is facing as grave a threat as it has ever faced, it is of the utmost importance that our whole parliamentary system be such as to command the respect and admiration of those who govern

themselves through the legislative and administrative machinery which our constitution creates. It must be a matter of concern to every one of us, as it so obviously is to the members of the Senate, that as at present constituted the Senate finds itself unable to perform those tasks which it was intended to perform, and to take its full and effective share in our bicameral parliamentary system.

Many excellent speeches have been made over the years emphasizing the need of reform. An earlier prime minister went so far as to state that the survival of our democratic system demanded such reforms. In spite of the fact that this subject has been under discussion for over seventy-five years in the Canadian House of Commons, the one essential preliminary step has never yet been taken. The field of discussion has been fully covered, and from almost every possible point of view. The time has come for positive action if the dominion-provincial constitutional conference is not to founder on this very rock. For the reasons which I have given, and for other reasons which have been so fully stated on other occasions, I do most earnestly urge the members of this house to support the following motion. I move, seconded by the hon. member for Lake Centre (Mr. Diefenbaker):

That all the words after "that" to the end of the question be deleted and the following substituted therefor:

"It is expedient to appoint a joint committee of the Senate and the House of Commons to study suggested constitutional changes affecting the Senate, including such matters as the method by which the members of the Senate shall be chosen, their tenure of office, and the better functioning of the Senate in our parliamentary system, with a view to formulating proposals to be presented to the government for discussion at the forthcoming dominion-provincial constitutional conference; such committee to have power to call for persons, papers and records; to sit while the house is sitting, and to report from time to time; and that a message be sent to the Senate requesting that house to unite with this house for the above purpose and to select, if the Senate deems it advisable, some of its members to act on the proposed joint committee."

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, this is a very interesting and important resolution. I am sorry that, unlike the leader of the opposition (Mr. Drew), I am not fully prepared to discuss it this afternoon on a moment's notice. I think the resolution, if supported by the house, will serve a useful purpose. Whatever the outcome, it will focus public attention upon the Senate of Canada as at present constituted, and I believe that is all to the good. In our opinion the Senate of Canada is both archaic and undemocratic. It is also not representative of either the provinces of Canada or the points of view that have arisen within Canada since confederation. Consequently, a study of the Senate as part of the parliamentary institution of Canada should have been made long ago.

I would have preferred to have seen this resolution come in perhaps in another way, so that we might have had an opportunity of gathering together some data to support the kind of argument one would like to make. In our opinion, as the house well knows since we have expressed it on a good many occasions, the Senate of Canada should be abolished because we believe it has served, in recent years at least, no useful purpose other than to provide a place to which certain gentlemen who have served the interests of the old political parties may be sent in their later years of life. Whatever the outcome of this committee's work, I believe it should be borne in mind that if the Senate is not abolished then drastic reform should be considered.

I would point out to hon. members of this house that while to a large extent, I think to a larger extent perhaps than the leader of the opposition implied, the Senate of Canada was modelled on the British House of Lords. Its powers, like those of the House of Lords until 1911, are those of absolute veto, if it cares to exercise it, of anything this house may do. Surely it is undemocratic that in 1950 a non-elective chamber should have the power of absolute veto, whatever may be said of the desirability or otherwise of a second chamber having the right to revise, to reconsider, to delay and to refer back. In 1911 the British House of Commons, with the consent of the House of Lords, of course, and with the approval of His Majesty the King, passed the parliament bill which limited that veto so that a bill passed by the Commons at two successive sessions could, at the third session of the House of Commons, be passed without reference to the House of Lords, simply requiring the signature and approval of His Majesty the King.

In the last parliament of Britain that veto was further restricted by a new parliament act which reduced the period during which the Lords might retain control or might delay to a period which I believe now is approximately a year. That of course is the evolution of the democratic control of the parliamentary procedures in the United Kingdom.

We are far behind that legislation. In this country an unrepresentative chamber may delay and indeed may frustrate the will of the elected representative of the people of this country. That situation surely makes our democratic boast a more or less empty one, as long as this absolute power of veto remains. Consequently I have long been in favour of

the abolition of the Senate; but if, because of our constitution, that cannot be achieved, then I have been wholeheartedly in favour of bringing in a large measure of reform in relation to the powers of the Senate of Canada.

It is often said that the Senate of Canada was for the protection of minorities. I have not been able to observe, at least in recent times, from my reading either of Canadian parliamentary history or of history since confederation, that that function has been well fulfilled. Indeed, sometimes I have thought that the minorities that have been protected in the past have not been minorities of the type that one would expect to be protected in a democratic country.

Then I have another criticism of the present establishment of the Senate. If we look at the manner in which it is set up we find this. Until recently there have been ninety-six members—now there are one hundred and two—twenty-four from the maritime provinces, twenty-four from Quebec, twenty-four from Ontario and twenty-four from the four western provinces and six from Newfoundland. As to the twenty-four from the four western provinces, when we consider the area of those four provinces and compare it with the area represented by the twenty-four from the maritime provinces—and I am not suggesting that we should take away from the maritime provinces that which they now have —what do we find? We find that we have four great provinces comprising vast areas of land, with quite a large population today, with great natural resources, and represented by four times six, six for each of the western provinces. The representation on that score is obviously unfair.

The leader of the opposition spoke of the United States senate and of the fact that a small state there will have in the senate of the United States the same representation as a large state. There is a great deal to be said for that system even in our own country; although even if we were not prepared to go that far, we should at least consider improving, if any reform is brought in, the representation from various parts of Canada.

As to the manner of choice, if we are going to have a second chamber, I think there is only one way in which that choice should be made and that is by a direct vote of the people. That vote may not be, need not be, and perhaps should not be, coincident with the vote for the House of Commons. The manner in which this choice is made in the United States of course is simple because there the congress has a limited period of time; and that limited period of time of four years is of course the maximum as well as the minimum of duration. There can be no dissolution at any moment up to five years such as we have in our own country.

But in Australia, where you have the two chambers elected, an arrangement has been made whereby the upper chamber—the Senate, if you like to call it the Senate; and I think it is called the Senate—is elected at a different period and at a different time from that at which the more popular assembly is elected; although I believe—and again I am unprepared and am speaking from memory—there is in the Australian constitution a provision whereby under certain circumstances it is possible for the Senate and the house to be dissolved, and for an election for both houses to occur at the same time. I believe I am right in that particular.

When we compare our Senate with that of the United States we have to remember something else about it. I think we must remember that the ideas of the fathers of confederation were not those of the founding fathers of the United States; that is to say, the relationship which the founding fathers of the United States thought of as existing between the central government and the state was entirely different—quite the reverse, in fact—from the idea the fathers of confederation had.

I remember reading some years ago, when I was teaching the formulation of the British North America Act, an interesting letter that was written by Lord Elgin. I tried to look it up the other day for some other purpose but I was not able to put my hands on it. I know, however, that it exists. The letter said that he was happy that the Canadians, as he put it, did not model their institution of parliament upon the congress of the United States, and he gave his reasons therefor. He said that in the United States the founding fathers had taken virtually the situation that existed prior to the revolution, when you had the state's governor and his self-chosen or his own chosen appointees around him as advisers—the family compact as we call it in Canadian history—and that they had incorporated that situation into the American constitution, with dire results. All they had done was to transfer the struggle that went on between the governor and his family compact to a similar struggle between the congress of the United States, and the President and his advisers, who of course are not representative as we understand the cabinet as being representative under our British parliamentary system. That I think stems from this. I think that the whole conception of the United States constitution was different from ours. Under the British

North America Act the United Kingdom, upon the advice of the fathers of confederation, delegated certain powers to the provinces, retaining all other power in the hands of the central authority, this federal parliament. In the United States, the states delegated to the central government certain power and retained the residual power in the hands of the state, the very opposite to our own. Therefore, when we are talking about the Senate and the constitution of our two countries, we should always bear in mind that the conception of Canada as a nation was substantially different from the conception of the United States as a nation, and that the fathers of confederation did what they did deliberately when they founded this nation.

Therefore, Mr. Speaker, the amendment that has been introduced this afternoon can serve a very useful purpose. It can serve the purpose of focusing attention upon the bicameral Canadian institution. It can arouse public interest in the respective value of the House of Commons and of the Senate of Canada. It can lead either to a desire on the part of the people for the abolition of the Senate as now constituted, at least, or to the reform of the Senate in a very drastic and comprehensive way, to bring it more in line with the needs of a modern democracy.

So far as I am concerned, I have not been able to discuss this with any of my colleagues today. I think, however, the amendment should be supported by the house, although I must say I regret the manner in which it has come before the house—and in that I am not criticizing the leader of the opposition (Mr. Drew). The manner in which it should have come before the house is this. The government, knowing the situation in the upper chamber, should have introduced a discussion of this sort in the house on its own initiative and not left it to the opposition. Coming in at this late date perhaps it makes it a little difficult, although again the leader of the opposition did suggest that we might do what was done in relation to the setting up of a committee to study the new Indian Act and the conditions of the Indians several years ago, namely, continue the committee after the house rises. That could be done.

As I say, I regret that this matter did not come before the house earlier this session, and that the government itself did not take the initiative. I believe I have placed a point of view before the house. It may not be a point of view which is a popular one in the house, but I am certain of this, that the Canadian people want to see our parliamentary institutions reflect democracy in this country. As long as the Senate of Canada remains in the condition in which it is today—and I readily admit there are some good people in the Senate of Canada—it will not invite the respect but rather the ridicule of the people of this and other democratic countries.

Mr. J. H. Blackmore (Lethbridge): Mr. Speaker, unfortunately members of our group were not aware before this matter was brought up this afternoon that it was to be brought up today. Consequently, we have had no opportunity to give the matter considered thought. On the face of it, though, I would say that there is much to be commended in the amendment which the leader of the opposition has moved, and much food for thought in the remarks with which he has accompanied the amendment.

In a general way I believe there is agreement across the country that we are not obtaining the results from the Senate that we have a right to expect. The Senate is a rather expensive institution in the Dominion of Canada. I think most people are of the impression that it is capable of delivering a very high order of service to the people of Canada, and that probably it is prevented from doing the good things that even it would like to do because of restrictions under which it is working, over which it has no adequate control.

It would therefore seem that it would be an idea quite worthy of commendation to invite the members of the Senate to meet with the members of the House of Commons and carefully canvass the whole situation, realizing that we have a nation now of 14 million people on our hands whose destinies it is the responsibility of these two great sections of parliament to look after.

Therefore, Mr. Speaker, I believe that the members of my group would be quite ready to support the amendment.

Mr. J. G. Diefenbaker (Lake Centre): Mr. Speaker, in rising to support the amendment moved by the leader of the opposition (Mr. Drew) may I say that the speeches which were delivered by the three hon. gentlemen who have preceded me indicate their interest in this subject. It is a continuing interest. The problem must be solved if democracy is to operate as it should.

As one looks back to the days when our constitution was being considered, it is of interest to note that the Senate originally was conceived on the basis of the legislative council of Canada, which was elective; that when the discussions took place at the time of confederation, or prior thereto, the only reason that the Senate became a nominated rather than elected chamber was that disputes arose among the members of the two conferences. These disputes arose out of the difficulties that

the United States had found and which had culminated in the civil war. The debates of confederation days indicate that the final decision to provide for a nominated Senate was in consequence of the fact that the deliberations took place during the period of restoration and reconstruction immediately after the civil war.

The hon. member for Rosetown-Biggar (Mr. Coldwell) said it was unfortunate that this matter had not been brought before the house by the government. I agree with him entirely in that. Indeed I find it difficult to understand, having regard to the numerous occasions on which reform of the Senate has been declared to be of the essence of Liberal policy, that a measure of Senate reform has not long since been introduced. At the convention of the Liberal party in 1893 one of the outstanding resolutions passed dealt with the necessity of doing away with the archaic form of the Senate and bringing it up to date in accordance with the then concept of democratic government and of parliamentary institutions.

This is the only way in which the matter can be effectively brought before parliament by the opposition. If we were to bring it in, sir, through the medium of a private member's resolution you realize what would happen to such a resolution. Certainly no one would suggest that it would be intentionally talked out but that result would be achieved without much difficulty. The end would be that no consideration would be given to this most important matter.

Last fall a constitutional session was held wherein advances were made in our democratic form of government, and in bringing our political system up to date. The first time there was a general discussion regarding constitutional matters, particularly the necessity for reform of the Senate and the abolition of appeals to the privy council, was in the session of 1875, and the matter has been discussed on a number of occasions subsequently.

On March 1, 1875, Mr. Mills moved the following resolution:

> That the house go into committee of the whole to consider the following resolution:
>
> That the present mode of constituting the Senate is inconsistent with the federal principle in our system of government, makes the Senate alike independent of the people and the crown, and is in other material respects defective, and that our constitution ought to be so amended as to confer upon each province the power of selecting its own senators and to define the mode of their selection.

That resolution was debated at considerable length. Finally the house divided on it and it was carried by a vote of 77 to 74. After it was carried Mr. Mills was reported as saying in effect:

> The house had committed itself to the principle that a change was desirable in the constitution of the Senate—there could be no doubt about that proposition. The house had affirmed that the constitution of the Senate was inconsistent with the principle of our federal government, and some change should be made which would give to each province the appointment of its senators.

I am not accepting the suggestions then made, but I am pointing out that in the debates which took place the outstanding argument advanced was that the Senate was out of date and that it did not conform to the federal system of government, because appointment to membership was decided by nomination by the government. It is of interest to know that the debate has continued over the years. In 1921 Senate reform was part of the policy of the Liberal party. Reform of the Senate was of the essence of the election in 1925. I think in large measure that policy was the consequence of the debate which took place in 1923 in the house.

A motion was offered by Mr. Jean J. Denis, the then member for Joliette, and that motion appears at page 1364 of *Hansard* for March 21, 1923, in these words:

> That, in the opinion of this house, it is expedient that a humble address be presented to His Majesty the King praying that the British North America Act be amended so as to provide that the members of the Senate instead of being summoned by the Governor General should be elected by the people for a term of six years in special senatorial divisions, the election for one-half thereof to take place every third year or should be elected for any other period of time or by any other mode of election as may be determined by parliament.

A most interesting debate followed in which various members of the house spoke. The speech by Mr. Denis needs no repetition. He placed on record the various events which had taken place leading up to the Senate being established in its present form. Then he finally arrived at this conclusion, which I believe is of interest to all hon. members, that there is no other self-governing British dominion that has a nominative Senate. The purport of his argument is that the experience since 1867 in Canada and in other parts of the commonwealth had indicated that a Senate appointed by a government in power did not discharge its responsibilities as effectively as it would if provision had been made either for election or for election in part and nomination in part.

Finally Mr. Fielding, a man of great experience in public life and a man who gave to his public service idealism that knew no party bounds over the years when he was premier of Nova Scotia, and following that as a member of the House of Commons, stated:

> The original constitution of the Senate contemplated the recognition of provincial rights. It was taken for granted that it might be a danger to minorities and that the Senate might be needed for the protection of minorities.

Then he went on to say:

I agree that the constitution of the Senate today is not satisfactory. I do not join in any condemnation of the Senate. I think even as organized today it is capable of, and does, very good work. But unfortunately the distribution of our legislative work is such that we do not get the best out of the Senate.

This was said twenty-seven years ago.

For about a month after the Senate meets the chief business is to inquire what is on for the next day. There is nothing, and "Satan finds mischief for idle hands to do." Then, towards the end of the session the Senate is rushed and is not able to do properly the work for which it is specially designed; that is to say, the work of a revising body.

Then he proceeded:

I think it is desirable and expedient that we should have a second chamber, a chamber that should act as a brake—not a block—on the House of Commons; a chamber useful in many ways. I think a second chamber is useful and necessary in these days of so-called democracy, to guard against hasty legislation.

And his final opinion was expressed in this way:

I would appoint a senator for ten years. I would make him eligible for a second term, and retire him at, say eighty.

That was his suggestion, that there be appointment for a limited period of time. Others spoke in favour of election, while still others had in mind a system similar to that in effect in the United States where in fact the Senate is elected by the people and has been, as the leader of the opposition (Mr. Drew) has said, since 1913.

Debates on this subject have taken place on other occasions. The leader of the opposition has referred to the debates in the house in 1886. In the election of 1925, when reform was in the air, the former prime minister, Mr. King, promised to reform the Senate in order to make it an effective body to carry out the legislative responsibilities that devolve upon it. The means was that as appointments were made to the Senate those appointed would sign a declaration to the effect that they would join in their own reform. All of us felt through the years that those who had been appointed to the Senate had gone through that method of self-screening, only to find about 1946 that the system had never been carried out or had never been brought into effect.

The experience since 1939 has shown that the Senate has had little or no opportunity to carry out its major responsibilities. Only a few pieces of legislation have originated there. Indeed in some sessions so little was the Senate used that the vast experience in parliamentary life which is available in that body was restricted in large measure to its divorce legislative functions. As far as other matters that came before it were concerned, they were too often to all intents and purposes perfunctory.

The result has been that over the years—this has accelerated in recent years—the people and even the Senators are asking what should be done in order to restore the Senate to a responsibility that it now does not discharge. I could quote various ministers of the crown who are now sitting in the seats of the mighty and who through the years have spoken of the necessity of reform. Only the other day the government leader in the other place spoke of the necessity of something being done. A recent appointee, Senator Stambaugh, made a speech in Alberta during the Easter holidays which indicated that after the few months he had been there his considered opinion was that something had to be done, that some definite consideration should be given to the necessity of reform in so far as the method of appointment and the discharge of a larger share of responsibility was concerned.

In 1925 Senate reform was mentioned in the speech from the throne. Then came 1926 and nothing more was heard about it. Reference to page 208 of *Hansard* of January 18, 1926, shows that Mr. Meighen spoke on that subject as follows:

I spoke some time ago of dear old friends who are missing and apparently gone forever, and amongst them none was more familiar, none more lamented than the figure of that great apparition known as Senate reform. Its death has been very recent, so perhaps we should speak of it with bated breath.

And he did. Then the late Mr. Lapointe followed and I quote from page 223 as follows:

My right hon. friend was most sarcastic when he referred to the reform of the Senate. Reform of the Senate! We have not changed our views about Senate reform from what they were last year. We said last year that the proposals of the government would be submitted to a conference of the provinces.

Mr. Meighen: What are the proposals?

Mr. Lapointe: The proposals which we will submit, and we expect that some of them, at least, will be accepted by the provinces. I contended then in the house, and I still submit that confederation was a pact among certain provinces and that you cannot alter that pact in any substantial feature without conferring with those who were parties to it.

Then he went on to say:

If my right hon. friend and my hon. friends opposite are kind enough not to put too many obstacles in our way, we will redeem their pledges as well as our own.

He was referring to a pledge to reform the Senate which had been given at one time at Halifax. The fact is that an appointed Senate is an anachronism in a democratic system. As far as I know in no other part of the commonwealth is there an appointed second chamber. Indeed in the countries that have set up constitutions within the last 25 or 30

years an appointed second chamber has not been accepted. Having regard to the unanimous opinion of those sitting opposite over the years as to the need of this being done—I can find no dissenting voice from 1918 to 1930 and indeed some ministers now sitting opposite have been vociferous over the years in support of this proposal—surely we can expect some support to this motion which binds no one as to the form of the change that will be made. I read the terms:

It is expedient to appoint a joint committee of the Senate and the House of Commons to study suggested constitutional changes affecting the Senate—

Various suggestions have been made. Some have suggested that we should have a Senate which was in part elected and in part appointed. Others have suggested that we should have an elected Senate which was elected for a period of time with one-third retiring every one-third of the period. Another suggestion has been that appointment be maintained but limited to a period of years.

This resolution binds no one to actual terms. It places the responsibility in the hands of a committee. It gives that committee the power to gather evidence and to submit recommendations so that when the dominion-provincial conference meets this year the question may be placed before it. Among the matters that will be placed before the committee if set up are such things as the method by which the members of the Senate shall be chosen—their tenure of office—and the better functioning of the Senate in our parliamentary system.

Surely these are desirable aims. Is there any hon. member anywhere who does not believe—I include those in the other place—that changes must be made in order to make the second chamber one that will render outstanding public service and perform the parliamentary responsibilities that it does not have, an opportunity to perform now?

I quote from the motion:

—with a view to formulating proposals to be presented to the government for discussion at the forthcoming dominion-provincial constitutional conference. . . .

We believe in the right of the provinces to be consulted on this matter as on all constitutional changes. What better time could there be than now, when the Supreme Court of Canada has been made the final court of appeal? What better time than now, considering the situation that exists in various parts of the world where parliamentary institutions, because they ceased to operate efficiently, have ceased to exist? What better time than now for parliament to set up such a committee for the purpose of making our parliament more effective in the discharge of its democratic responsibilities? What answer can there be on the part of the government? Their promises of the past call on them to support the amendment. At no time has there ever been a word of dissent by the Liberal party as to the necessity of something being done. Some may argue that the time is too short for the committee to function. There are three or four weeks remaining at the very least, and possibly more, during which such a committee could sit, and study the systems adopted in other countries, and be in a position to place before the government information that it in turn could bring before the dominion-provincial conference.

Surely no one can say, "Let us wait until next year". It was promised in 1921. In 1925 time was of the essence. It was said that unless something was done immediately serious consequences would follow. Indeed I remember well a speech made by Mr. King on election night in 1935, and the outstanding feature of it was that reform of the Senate would no longer be delayed by a majority of the other party in the Senate. That was 1935, fifteen years ago, and I make allowance for the days of war when such matters could not come up. During his term of office the Prime Minister (Mr. St. Laurent) has proceeded step by step to secure passage through the British parliament to provide for amendment of our constitution by ourselves in so far as federal matters are concerned, and has made the Supreme Court of Canada the final court of appeal in constitutional matters. Therefore is it not time, Mr. Speaker, that we join with members of the other place to build the most effective democracy we can under our parliamentary institutions? Reforms must come in the House of Commons, as we frequently advocate, and reform must also come in the other place. I ask members of the house irrespective of party to support the amendment to the end that the promises of the past and the protestations that have so often been made about the necessity of this being done may at least be carried one step forward in the effectuation of the desires of those on the other side of the house who have waited for so many years for the opportunity to do this very thing.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I do not intend at this time to discuss the merits of Senate reform. I have had no opportunity to conduct the research necessary for such learned historical statements as have been made in the house this afternoon. Of course the motion comes as quite a surprise at this time. No intimation of it was given. I am not complaining about that because no intimation has to be given of the matters the

opposition chooses to raise when a motion to go into supply is submitted by the government. Possibly if and when it ever happens that we are on the other side of the house we may be doing exactly what my distinguished friends have done on this occasion.

We have a motion to go into supply submitted by the government, and no matter how carefully or skilfully the leader of the opposition (Mr. Drew), and those who agree with him, may gild the pill of an amendment to the motion it is still a motion of want of confidence. They say that they hope the motion will receive support. It is always permissible to hope as long as there is life, and they hope that the government will be defeated. I submit to those who do not agree with them or share their hope that the opposition is not really serious in appealing to members on this side of the house, or in the upper half of the other side of the house, to support their motion.

It is an interesting motion, and we have heard interesting speeches made in support of it. The question of Senate reform is certainly one which is being given thought by a great many serious-minded Canadians who are interested in the Canadian constitution. I submit that first of all the amendment has the defect that it is a gilded attempt to secure a vote of the house which may mean the defeat of the government.

Mr. Drew: Mr. Speaker, on a question of privilege, I wish to make it perfectly clear that the intention of the amendment is not that of want of confidence. We would welcome government support of a motion which is consistent with their expressed views. It is not a want of confidence motion.

Mr. St. Laurent: There is a place the road to which is paved with good intentions, but whatever be the intentions that lie behind the motion its constitutional effect would be the defeat of the government if it were successful.

Mr. Drew: Is that the place the Minister of Trade and Commerce (Mr. Howe) was speaking about?

Mr. St. Laurent: I am sorry I was not here when the leader of the opposition made his speech, but if I had been here I would have tried not to interrupt him. The other serious defect of the amendment is that it is an invitation to the house to have the government break faith with the representatives of the provincial governments participating in the dominion-provincial constitutional conference which is now adjourned. The conference was called for the sole purpose of bringing back to Canada the right to do in Canada the things which Canadian conditions may require in the form of amendments to the present constitution. It was that invitation which was accepted, and it was on that invitation that the conference met. I have had little time to refer to the report of the conference, but I would remind hon. members that the correspondence leading to the conference was tabled in the house and printed as appendices to various issues of *Hansard* of the last session of parliament. I have had time to look at some short references to the purpose of the conference which appear in the printed proceedings of the constitutional conference of federal and provincial governments held from January 10 to 12 inclusive, 1950. On page 6 I find this short paragraph in my opening statement:

> The purpose of this conference is to seek together to devise a generally satisfactory method of transferring to authorities responsible to the people of Canada the jurisdiction which may have to be exercised, from time to time, to amend those fundamental parts of the constitution which are of concern alike to the federal and provincial authorities.

Turning to page 11 I should like to read a short paragraph from the statement made by the gentleman who is now premier of Ontario. It is in these terms:

> As I understand it, we have not been called here to discuss proposed amendments to the constitution but rather to examine whether we should have power in Canada to make amendments if the need should arise and by what method. Ontario is not here asking for anything, nor is it being asked to give anything away.
>
> The one purpose is to consider and answer the two general questions which I have stated.

I have not had time to go through all the statements, but on page 17 there is a statement by the premier of Nova Scotia headed, "Purposes of Conference". It reads as follows:

> This is to discuss the feasibility of devising a constitutional amendment which will enable subsequent amendments to be made in Canada without resort to the parliament of the United Kingdom; except as to matters already within the exclusive jurisdiction of the Canadian parliament, pursuant to the B.N.A. Act (No. 2) 1949, or of the provinces under section 92(1) of the act of 1867.
>
> It is to be noted that what is to be considered is a general procedure for amendment and not the consideration of particular amendments. We are concerned here with methods, rather than with the substance of amendments.

I had time to turn up one more, which is in the opening address of the premier of New Brunswick, and is to be found on page 21:

> This conference has been called to consider a method of amending the constitution in Canada. We who are taking part in it shall, if we attain this objective, have established another milestone in the march of our country towards the goal of full nationhood.

Senate Reform

As hon. members know it was agreed at the end of three days' deliberation that a continuing committee would be set up to which the provincial governments would submit their views or their memoranda concerning the procedure that might be established. The conference is to be reconvened for the purpose of considering the effect of the joint briefs or memoranda submitted by the ten Canadian provincial governments and the federal government. It is for that purpose, and that purpose alone. I submit that we would not be acting in the spirit in which this conference can best function if we made any change in the purpose and objectives of the conference without prior agreement of those who have participated in it thus far, and who have agreed on the agenda established for their continuing participation.

A third reason is that I think, until we get this procedure for amending our constitution in Canada, it would be premature to discuss a specific amendment and expect the parliament of the United Kingdom to make the kind of reforms to our Senate which would be satisfactory to the Canadian public. I believe it is preferable to arrange our affairs in such order that we can, in our own country, do the things that the experience of seventy-five years will demonstrate to be desirable for the amendment of this democratic machine, which is required for the co-ordination of the common efforts of the Canadian people towards their ultimate destiny. Of course, if we cannot agree on a method of doing in Canada ourselves, if we find we have not yet reached that state of adult citizenship where we can take the responsibility in our own assemblies for the doing of the things that are for the purposes of our Canadian people, then perhaps we can deal with other matters. If we cannot agree on how amendments generally may be made, perhaps we can agree to ask the mother of parliaments to make this kind of amendment for us. I hope that when we come to grapple with this serious problem of making the right kind of amendments to the constitution of our Senate, the method of appointment and tenure of office, we will have already done the other thing and have asserted that we can, in Canada, in spite of the fact that there are ten Canadian provinces, and that on all matters the mentality of the people and the attitude of those who represent them in their legislature are not identical, we are nevertheless broad enough Canadians to devise and operate a system whereby Canadians will be doing in Canada the things designed for the welfare of the future generations of Canadians.

Without being any less prudent than the nember for Lake Centre (Mr. Diefenbaker) in respect of those quoted opinions he has today put upon *Hansard*, I think I can agree with him, and he would agree with me, that there are important considerations that require serious study to bring about a system which will not create again the anomalous situation, which once before existed in our history, that is to say a one-sided other house of parliament.

Mr. Diefenbaker: What did the Prime Minister mean by "once before"?

Mr. St. Laurent: Once before there was an overwhelming majority of one party, and that was not the Liberal party. Today there is an overwhelming majority of appointees made by Liberal governments. That comes about when a government is, in the opinion of the majority of the Canadian people, so efficient that it remains in office a long time. It was that which created the previous situation. The people of that time, rightly or wrongly—I am not commenting on the merits—felt that the government they had from confederation down to 1873, and which they took back again in 1878 and kept until 1896, deserved their confidence. It happens that for the last fifteen years the people have felt that the party responsible for the government has maintained in office a government that deserves their confidence, and the traditional system has been for the government to make appointments of ladies or gentlemen from its own political party. This brings about an anomalous condition which I think is worthy of serious thought and study, to see whether we can have something that will be more generally representative of the complexion of political opinion throughout the country. I do not think that that would be hastened by supporting this motion. I invite all those who still have confidence in this government to vote against the motion.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

INDUSTRIAL RELATIONS

AMENDMENT OF CHAPTER 54, STATUTES OF 1947-48—ENFORCEMENT REGULATIONS

Mr. Clarence Gillis (Cape Breton South) moved the second reading of Bill No. 6, to amend the Industrial Relations and Disputes Investigation Act (enforcement).

Some hon. Members: Explain.

Mr. Gillis: It should hardly be necessary, Mr. Speaker, to explain this bill inasmuch as it has been introduced in this house on a

couple of occasions and had considerable discussion when the national labour code was first adopted in this house. This bill has for its purpose the replacement of sections 43, 44, 45 and 46 of the Industrial Relations and Disputes Investigation Act and briefly it means this.

Under the present arrangements the national labour relations board has neither power nor authority in industrial disputes except to call in the parties to the dispute, listen to the evidence, come to no conclusion, and then send both parties to the dispute back home to take strike action and fight it out in the streets. It is our conclusion that the day for that kind of thing has gone by; that the labour movement that comes under the jurisdiction of the national labour code has grown up and that they are in the administrative stage; and that it is time that we brought the rule of law within the legislation that has as its aim the regulation and supervision of disputes that occur from time to time between management and labour. Under the present code, when a dispute gets beyond the jurisdiction of the board, no other action is possible except to apply to the Minister of Labour (Mr. Mitchell) for the right to have the matter handled in the regular courts of law; and in our opinion it is the wrong place to try a labour dispute in a court of law before magistrates and judges who are trained in criminal law and the straight administration of civil law. Labour relations is an entirely different field, and in our opinion the proper people to determine the question as to whether or not an infraction of the law has been committed by one side or the other is the labour relations board. These men deal with the problem, they listen to the evidence, they know the labour code and its penalties, and they are in a better position to determine whether or not an infraction of the act has been committed by one side or the other.

This bill merely asks this parliament to place in the hands of the board the right to enforce their own legislation, just as is done now with regard to the Income Tax Act, the motor vehicles act and other acts that are in a specific field. They are enforced by the people who have jurisdiction under the act.

There is nothing new in this particular suggestion because we already have precedents in our own country. For example, a couple of years ago there was a dispute in the province of Saskatchewan. That particular labour board took unto themselves the prerogative of deciding that John East Company in Regina was wrong in dismissing seven or eight employees. The board ordered their reinstatement, with full pay for the time they were dismissed. They claimed they were wrongfully dismissed under the labour relations act that existed in that province. That matter went over to the privy council, and the privy council ruled at that time that the board had that right, and they exercised it at that time. Moreover, an act passed within the last couple of months in the province of Ontario has put in the Ontario labour relations act exactly the same provisions that we are asking in this bill to be extended to the national labour code.

The national labour code is applicable only to a small group of employees in this country; that is the group that come within the jurisdiction of the federal government, such as the national railways, the harbours board, the C.B.C. and shipping that is interprovincial. In view of the fact that the board has that limited jurisdiction in the field of labour, I think this is an opportune time to enact this bill and to give the national labour relations board some legal status. All the board will get under this bill is the right to determine that one side or the other has committed an infraction of the act. They assess the evidence. They place that evidence then in the hands of the magistrate who is charged with the enforcement of the act as it is. The magistrate hands down a decision in accordance with the penalties that are laid down now in the national labour code. If one side or the other is not satisfied, they then have the right of appeal. I submit, Mr. Speaker, that this house should adopt this bill at this time, and let us see how it works out; for I visualize the time when this national labour code is going to embrace all of the workers in this country. I think the time has now come when we should start experimenting at least with this kind of legislation so that we may have some knowledge of it.

I should just like to draw this fact to the attention of the house. We are in a rather precarious position in the field of labour in national strikes. For example, in the packing house strike here about two years ago, when that whole industry was tied up from coast to coast, nothing could be done about it. Each province has jurisdiction in the field. Your national labour relations board could not touch it. It did not come within the purview of the Minister of Labour (Mr. Mitchell). It was difficult to get the various provinces together to take some action. I think it is time that we began to think in terms of national legislation, in our own interests, so that we may have jurisdiction in the event of national emergencies developing.

I am not going to occupy any more of the time of the house, Mr. Speaker. I have briefly

set out the basic idea that the bill contains, and I am now going to leave it to the tender mercies of the house.

Mr. Maurice Boisvert (Nicolet-Yamaska): Mr. Speaker, for the past quarter of a century a double trend has been noticeable in the evolution of law. On the one hand we observe a transfer of their power to apply the law from the courts of justice to other bodies. Commissions, boards, and sometimes administrators have thus been invested with judicial and semi-judicial powers. On the other hand, there has been a growing tendency to apply to collectivities the object of legislation which was originally meant for individuals. This last trend has been most evident mainly in the judicial relations between employers and employees, for example in collective agreements and in the Minimum Wages Act. The legislation does not concern individuals any more but groups.

The bill which is before the house, sponsored by the hon. member for Cape Breton South (Mr. Gillis), is another of those projects which would take away from courts, magistrates and judges the most important part of their functions, namely, that of hearing cases before passing sentences.

I am opposed to such incursions in the field of our judiciary system, one of the best in the world. Let us remember here—and I think this is admitted by all—that courts of justice and their procedure are the best protection we have for human rights and civil liberties.

The act which this bill would amend was assented to during the 1947-48 session and came into force on September 1, 1948. It seems to have worked very satisfactorily since then. The minister has given a broad and generous interpretation to its provisions, so that conflicts arising between employers and employees could be settled without necessarily imposing a fine on delinquents. It is a fact that, in matters of public relations, the conciliation of disputes is the most effective way of maintaining good understanding between those who take part in the production, the transformation and the distribution of goods.

When different classes of society are called upon to co-operate, it is remarkable how much more a peaceful discussion, without recourse to the courts of justice, has helped the parties than a strict application of the provisions of the law. This was the opinion expressed by the Minister of Labour during the debate on the resolution introducing the act in 1947.

We have been told that the amendment is similar to legislation applied by some provinces and some other countries. If my information is correct, in Saskatchewan a provision somewhat like the one we are asked to adopt has given rise to numerous conflicts and litigation. In the United States, where the labour relations board has extensive powers, difficulties have arisen which have been far from improving good relations between employers and employees.

I think I may assert that since the act has come into force there have been few demands for court proceedings and most of the time those conflicts which arose have been settled on a friendly basis.

In order that a law may achieve its aim, it must be possible to apply sanctions against those who violate its provisions, otherwise the law will be useless.

Let us take a brief look at the act which we are asked to amend. It is chapter 54 of 11-12 George VI. This act is in two parts. The first part deals with the powers and duties of those who come under its application. The title of the act should be noticed: "An Act to provide for the Investigation, Conciliation and Settlement of Industrial Disputes". The act is under the administration of the Department of Labour, a labour relations board with powers specified under section 61 of the act. This is dealt with in the second part of the act. The powers of the board are of an inquiring nature. It has to see that the people under its jurisdiction come under the provisions of the act.

The intention of the legislature was that any offence against a provision of the act should be punished; and it is up to the tribunals to decide if there has been any violation and to punish accordingly.

Sections 39 to 47 inclusive provide for appropriate penalties and indicate the manner in which court proceedings should be instituted so that the law may attain its end.

The wording of the title of the act clearly signifies that it provides not simply for investigation but also for the conciliation and settlement of industrial disputes. It is also stipulated that the minister will have power to appoint a conciliation board or conciliation officer in order to prevent a dispute from deteriorating into a lawsuit which would mean heavy fines for the parties and very often considerable costs.

The amendment would do away with: one, the jurisdiction of the minister in matters of conciliation and settlement; two, the jurisdiction of the conciliation boards appointed under the act; three, the jurisdiction of the conciliation officer appointed by the minister; four, the jurisdiction of the courts of

justice in charge of the application of the act in matters of violations of its provisions; all of such jurisdiction being turned over to the labour relations board, except as to sentences.

The sections of the act concerned with the proposed amendment are sections 43 to 47 inclusive. Here is a brief summary of the procedure contained in those sections.

If a complaint in writing is submitted to the minister by a party to collective bargaining, that the other party refuses to comply with the law, the minister may refer the case to the labour relations board which shall investigate and order what measures it will deem necessary. Every employer, employers' organization, trade union or other person in respect of whom such an order is given will be bound to comply with such order.

If a person claims that any of the provisions of the act have been violated and makes a complaint in writing to the minister, the minister may appoint an industrial inquiry commission or a conciliation officer to investigate and make a report to him in respect of the alleged violation of the act or of an order of the board which would be binding on both parties. It is only after such investigations that the minister may use his discretion. According to section 45, he does not have to act, but if it should become necessary to do so he must give his consent in writing for the prosecution. Offences must be prosecuted by summary conviction in accordance with part XV of the Criminal Code. Such offences are heard and sentences pronounced by judges or magistrates appointed by the province.

There can be an investigation conducted either by the inquiry commission or by the conciliation officer. After such an inquiry and following the report, the minister can still bring the parties to an understanding; and experience has shown that court proceedings have seldom been necessary. It should be noted that if the parties appear before a court of justice, a new inquiry will be conducted by the judge or the magistrate and it is only after that fines can be imposed. It goes without saying that according to part XV of the Criminal Code, there can be an appeal to a superior court.

The amendment would destroy the entire process of conciliation contained in the act and invest the labour relations board alone with the power to conduct an investigation and of issuing orders indicating that such and such a party is guilty of a violation of some provision of the act. Such order would then be filed in the magistrate's court of the jurisdiction in which the violation took place, and the magistrate would then impose the penalties provided in the act without having any power to examine the merits of the order except that, in the case when the order "is ambiguous or its meaning not clear", he may refer it to the board for clarification.

In my opinion, the amendment, apparently harmless, ruins the whole economy of the act which must be above all an act for conciliation; and on this ground I am opposed to the amendment.

From a judicial point of view, the amendment is harmful because it attacks the separation of powers. It is revolting in law to ask a judge to pronounce a sentence without allowing him to become acquainted with the provisions of the law, hear the parties to the dispute and their witnesses, so that he may judge the merits of the case in which he must pronounce a sentence.

The contemplated amendment is equivalent to this. The labour relations board will say to the magistrate: "Such provision has been violated; please impose the penalty provided in sections 39 and following of the act". Such proceedings would be a blow to the proper functioning of our criminal law. Section 726 of the Criminal Code states as follows:

> The justice, having heard what each party has to say, and the witnesses and evidence adduced, shall consider the whole matter and, unless otherwise provided, determine the same and convict or make an order against the defendant, or dismiss the information or complaint, as the case may be.

According to the amendment, the magistrate can only pronounce on the amount of the fine, say $5 to $250 as provided in the act. The only ground for appeal from such sentence by any party will be the inadequacy of the fine. There will be no appeal on the merits of the conviction.

It can be easily seen, then, that this amendment is a step back instead of a step forward. I should be very much surprised if in a country where justice is held in such high esteem, where everyone shows great confidence in our tribunals, we should find individuals, trade unions and employers who would be willing to see our tribunals hand out sentences as one hands out receipts.

The act had provided for a fair distribution of the powers of investigation and of conciliation, but did not define the powers of the tribunals which were to be called upon only as a last resort.

The act is broad and supple enough in its interpretation to allow an understanding to be reached in labour and industrial relations. It also provided that court proceedings should be instituted only after all other means of conciliation should have been tried. It did not define the powers of the tribunal as it expected

those powers to be exercised within the framework of those institutions which we respect and which are the foundation of our democracy.

The protection of the individual rests upon the dealing of justice. This justice should be dealt according to fixed rules in such a way that each party should be satisfied even if one should be fined.

I do not wish my words to be interpreted as an opposition to boards, commissions and administrators. But I am in favour of leaving untouched the fundamental jurisdictions of our courts of justice. The sabotage of the courts of justice is the beginning of anarchy in any country. We can see what is happening in countries under Russia's protection. The courts of justice simply carry out decisions taken beforehand by the government. If a conviction is needed following an order from the head of the state, the court simulates a trial and a conviction occurs in all cases. What hurts in others must be rejected at home.

Knowing the hon. member for Cape Breton South (Mr. Gillis), I am sure he did not intend to give this meaning to the proposed amendment. He thought it would simplify proceedings. He noticed particularly the powers of investigation mentioned in the act, forgetting that the primary aim of the act is the conciliation and settlement of industrial and labour disputes.

The tendency in the evolution of modern law to invest state organisms with judicial powers makes it easy, even in genuine good faith, to deviate from the important principle stated in section 7 of the declaration on human rights as follows:

> Everyone has the right to have his criminal and civil liabilities and his rights determined without undue delay by a fair public trial and by a competent tribunal before which he has opportunity for a full hearing. The state has a duty to maintain adequate tribunals and procedures to make this right effective.

The hon. member for Winnipeg North Centre (Mr. Knowles) on May 16, 1947, quoted before this house a declaration of the Manitoba civil liberties association in which it was said:

> No Canadian citizen shall be denied justice as administered in the regularly constituted courts of law.

We have in the country remarkable judiciary institutions. We have competent and respectable justices. Canadian justice is highly respected by all Canadians and by all those outside the country who study our institutions. Why should we overthrow a system by having someone with the power to investigate and someone else with the power to apply sanctions? The faith and confidence I have in our tribunals induces me also to oppose the amendment and I shall vote against the bill.

Mr. W. J. Browne (St. John's West): I do not intend to make a speech, but rise only to ask the hon. member who introduced the bill if he would answer a question in connection with something he said to the effect that the Ontario legislature had passed a bill this year. What bill was it?

Mr. Gillis: It is the provincial labour code which was passed, I believe, about two months ago.

Mr. Browne (St. John's West): I have both of them here and I cannot find that provision in them.

Mr. Gillis: It contains that very provision.

Mr. Browne (St. John's West): I cannot find it.

Mr. Gillis: The hon. member may have the draft bill. The draft is amended, and the final bill which was passed contained the provision I mentioned.

Mr. A. C. Stewart (Yorkton): Mr. Speaker, I do not intend to speak at length concerning the bill before the house. The effect of the proposed amendment has been fairly well covered by the hon. member for Nicolet-Yamaska (Mr. Boisvert) who has preceded me in the debate. However, for the edification of the house perhaps in somewhat shorter terms I might explain what I consider to be the effect of the bill. In my view the effect is to strike out paragraphs 43, 44, 45 and 46 in the present act.

I do not think ninety per cent of the members of the House of Commons have had any requests from unions in their constituency for the repeal of those sections.

Mr. Gillis: Do you mind if I put you right on that?

Mr. Stewart (Yorkton): I do not mind a question; but you have made your speech.

Mr. Gillis: Are you aware of the fact that the Canadian Congress of Labour, representing all of the industrial unions in Canada, on behalf of those unions recommended this when the national labour code was adopted?

Mr. Stewart (Yorkton): I am aware of the fact, and I would remind the hon. member that the Canadian Congress of Labour does not by any means represent all labour organizations in Canada.

Mr. Gillis: I said the industrial unions.

Mr. Stewart (Yorkton): And I am also aware of the fact that whether they are right wing

or left wing of that political party, the C.C.F. and the Canadian Congress of Labour have a very close alignment. The memorandum from the Canadian Congress of Labour to the government is contained in a pamphlet from the Trades and Labour Congress of Canada where, at page 13, they say this:

> As indicated in our memorandum of last year, we accepted the Industrial Relations and Disputes Investigation Act as a good start in the right direction. We also said then that we would watch the administration of the act very carefully.

They have done that. I have said, and I repeat, that there has been no request from any labour union in my constituency for these amendments.

Mr. Lennard: You have none.

Mr. Stewart (Yorkton): We have labour unions in our constituency.

Mr. Lennard: Farm unions.

Mr. Stewart (Yorkton): We have running trades unions and every other kind of union such as wholesale warehouses and so on. None of them has requested these changes. The whole object of these changes is simply to take matters from the jurisdiction of the Minister of Labour (Mr. Mitchell) and pass them over to a board. In the time I have attended this house I think hon. members generally will agree that we have heard nothing but compliments about the Minister of Labour and about the way he has conducted the work of his department. We have heard those compliments from our friends in the C.C.F. and from the official Conservative opposition and I think they are well deserved.

If we consider what is happening in labour circles in the United States, if we even compare conditions here with those in the state of Michigan, I think we will agree that the minister has done a good job. The unemployment situation today, despite the prophets of gloom to my immediate left, has improved. In the three constituencies adjoining the employment office at Yorkton there were over 2,000 seasonal unemployed a month ago. That number has dwindled to 500 and they are going to need workers at the end of the month. That is the situation there.

This bill will take away from the Minister of Labour rights that he had under the act. Section 43 of the act provides that when the minister receives a complaint in writing from a party to collective bargaining he may refer the same to the board. That leaves it to the judgment of the minister and from what has happened in Canada it would appear that the judgment of the Minister of Labour has been fairly sound.

Then under section 44 of the act a person complaining to be aggrieved because of an alleged violation of any of the provisions of the act may make a complaint in writing to the minister. That would be taken away by the proposed amendment. That section goes on to provide that the minister may require an industrial inquiry commission to be appointed. Then under section 45 a prosecution for an offence under this act may be brought against an employers' organization or a trade union and an information or complaint in respect of a contravention of the provisions of the act may be laid.

The whole effect of these amendments is to permit the appointment of a board without any consultation with the minister. We have had some experience in Saskatchewan with labour boards. We do know that while the C.C.F. claim that the Canadian Congress of Labour and themselves are one, are almost an entity politically, there are a great number who belong to the Canadian Congress of Labour who have not adopted the C.C.F. as their political arm. I should like to quote from a letter from one who was known as a member of the ginger group and who sat in this parliament for many years. He now lives in Hamilton and he certainly was not biased in so far as the C.C.F. was concerned. He writes:

> I came to Hamilton with a warm spot in my heart for the C.C.F. even if I never called myself a socialist; but it did not take me long to lose any sympathy I had for them when I saw the workings of the C.I.O. machine here. Now I know something about labour unions. I was working energetically to get my brother station agents and telegraph operators organized forty-five years ago. When I left the C.N.R. I was O.R.T. committee man for the C.N.R. territory Winnipeg to Edmonton, Dauphin to Prince Albert and intervening branches. However in those days nothing was done without the full understanding and co-operation of the men and a strike without being authorized by a ballot vote was unthinkable. The steel strike that tied up so much business here three years ago would never have happened had the men been given a government supervised ballot vote.

Mr. Gillis: On a point of order, I should like to know what document the hon. member is reading from, where it was written and what it has to do with this bill.

Some hon. Members: Order.

Mr. Gillis: I am speaking to a point of order. What has somebody who is working in Hamilton and who belonged to the C.C.F. at one time to do with the present bill under discussion in this house?

Mr. Stewart (Yorkton): That is not a point of order.

Mr. Gillis: That is a point of order.

Mr. Speaker: The point raised by the hon. member for Cape Breton South is that the document which the hon. member for Yorkton is reading is not related in any

way to the principle of this bill. If that is so, then of course the hon. member should not continue to read it. On the second reading of private and public bills, as well as other bills presented to the house, the discussion must be on the principle of the bill.

Mr. Stewart (Yorkton): I was speaking on the principle of the bill. I have submitted that this bill was not introduced to this house as a result of any request of organized labour.

Mr. Gillis: A lie.

Mr. Stewart (Yorkton): It was merely put up—

Mr. Gillis: Deliberate.

Mr. Stewart (Yorkton):—by the political arm of the Canadian Congress of Labour and they are merely bringing it in as a political party.

Mr. Gillis: I rise on another point of order. Apparently the hon. member is not familiar with the rules of the house because he is imputing motives. I introduced the bill at the request of a legislative body in Canada that represents all industrial workers in this country on an industrial basis. The hon. member would not understand that. I want the hon. member to withdraw that statement.

Mr. Speaker: The hon. member—

Mr. Mitchell: I rise to a point of order.

Mr. Gillis: The Speaker is on his feet.

Mr. Speaker: The hon. member for Yorkton must not impute motives to another hon. member. I am not sure that what he has said amounts to the imputing of motives.

Mr. Gillis: Definitely.

Mr. Speaker: The hon. member for Yorkton must accept the statement of the hon. member for Cape Breton South that the bill was introduced by him on request.

Mr. Stewart (Yorkton): I quite agree.

Mr. Mitchell: I rise to a point of order. I think my good friend from Cape Breton South said,—

An hon. Member: Louder.

Mr. Mitchell: If you want it louder I can raise the roof. I think the hon. member for Cape Breton South said something about what my friend said being a lie. I do not think that is a fair thing to do. He may be misinformed.

Mr. Gillis: He was not misinformed because five minutes ago I informed him.

Mr. Mitchell: Just a minute, the hon. member is not in local 103, Cape Breton; he is in the House of Commons. I think the hon. member for Cape Breton South should withdraw his remark in fairness to the hon. member for Yorkton.

[Mr. Speaker.]

Mr. Speaker: I did not hear any hon. member say that the statement made by another hon. member was a lie. Of course that is unparliamentary and I am sure if the hon. member did make the statement he will withdraw it. But at the same time the hon. member for Yorkton must withdraw any imputation which he has made against the hon. member for Cape Breton South.

Mr. Stewart (Yorkton): I made no imputation.

Mr. Speaker: Or any reference to improper motives by the hon. member for Cape Breton South.

Mr. Stewart (Yorkton): There is nothing on the record. My statement is this, and I will repeat it. If I am out of order I know Your Honour will say so.

Mr. Speaker: I think we can clear up this whole matter. The hon. member for Cape Breton South should withdraw the statement that he made that something said by another member was a lie, and the hon. member for Yorkton should withdraw any imputation which he made against the hon. member for Cape Breton South.

Mr. Graydon: "Even Stephen".

Mr. Stewart (Yorkton): As far as any imputation is concerned I did not even mention the hon. member for Cape Breton South. I said that this bill was introduced by the hon. member for Cape Breton South as a member of the C.C.F. party. I do not think that is unparliamentary.

Mr. Speaker: I think we should clear this up right away. I understand the hon. member for Yorkton imputed a motive to the hon. member for Cape Breton South. The hon. member for Cape Breton South denied the imputation. The hon. member for Yorkton must accept his denial and withdraw it, and the hon. member for Cape Breton South must withdraw the word he used, "lie".

Mr. Stewart (Yorkton): Then—

Mr. Speaker: Do I understand you both withdraw?

Mr. Gillis: Mr. Speaker, he started it and I am waiting for him.

Mr. Stewart (Yorkton): I do not know what I am withdrawing. I did not impute any wrong motives.

Mr. Speaker: The house might agree that the unparliamentary statements of both speakers have been withdrawn.

Some hon. Members: Agreed.

Mr. Stewart (Yorkton): As to the proposed amendment to the bill I should like to quote from an Ottawa dispatch of March 8 relating to the C.C.F.

Mr. Lennard: What year?

Mr. Stewart (Yorkton): This year. It reads:

C.C.F. leader M. J. Coldwell Wednesday hailed the establishment of a permanent political action committee of the Canadian Congress of Labour.

Mr. Gillis: What has this got to do with the bill?

Mr. Stewart (Yorkton): It continues:

Coldwell said he had not been previously informed of the C.C.L. decision to put political action on a permanent basis, but said whatever work it did would be certain to benefit the labour movement in politics, represented in Canada by the C.C.F.

I submit, Mr. Speaker, that the amendment to the act does not help labour one iota, that labour has not asked for the amendment, and that it is a purely political movement to help the C.C.F. in accordance with declared policy. It is to help a political party.

Mr. Gillis: Mr. Speaker, I rise again on a point of order.

Mr. Speaker: I think the statement of the hon. member for Yorkton (Mr. Stewart) is a question of fact which may be denied or accepted by other members of the house.

Mr. Gillis: Mr. Speaker, that is the very statement he just withdrew.

Mr. Speaker: No, the statement which was withdrawn was that the hon. member for Cape Breton South was introducing the bill not because he had representations from labour men but wholly for political purposes. That has been withdrawn. Now the hon. member for Yorkton says that it does not help labour.

Mr. Gillis: Mr. Speaker, the hon. member just repeated what he said before. On the point of order—

Mr. Stewart (Yorkton): Are you on the point of order still?

Mr. Gillis: Yes.

Mr. Stewart (Yorkton): You have been ruled out of order twice.

Mr. Gillis: The hon. member for Yorkton should take a few lessons from the hon. member for Temiscouata (Mr. Pouliot). He gives lessons on the rules of the house. The hon. member just made the statement that the bill was introduced without any representations from labour. The Minister of Labour (Mr. Mitchell) and every other member of the industrial relations committee who framed this code—

Mr. Stewart (Yorkton): That is argument, not a point of order.

Mr. Gillis: I am just giving the hon. member some information.

Mr. Speaker: Order. The point which the hon. member for Cape Breton South (Mr. Gillis) is now making is the point I have just made. He can make these representations at the close of the debate when he replies.

Mr. Gillis: That will be next month.

Mr. Speaker: Perhaps. But a second speech would close the debate. The hon. member for Yorkton.

Mr. Stewart (Yorkton): I continue with what I was reading:

"Of course there is no direct organizational connection between the C.C.F. and the C.C.L." Coldwell said.

Mr. Gillis: This has a lot to do with the principle of the bill.

Mr. Stewart (Yorkton): Will you be quiet and keep order. I continue:

"They simply recognize us as the political arm of labour and we recognize them in the same way as we do the Trades and Labour Congress and the Catholic Labour syndicates. Whatever they do in the war of propaganda and educational campaigns as a political action committee will surely benefit us in the next general election campaign," Coldwell added.

The whole purpose of the amendment is not to benefit labour. It is a part of the next general election campaign of the C.C.F. to try to show labour, as the hon. member for Cape Breton South well knows, that they have been trying to do something that labour never asked for. I am opposed to any such change as that in the bill now before us.

Mr. Knowles: On a point of order, I should like to ask the hon. member for Yorkton to indicate the source of the report he has just read, and also the name of the person who wrote the letter from which he read a few minutes ago.

Mr. Stewart (Yorkton): That is not a point of order, as the hon. member for Winnipeg North Centre (Mr. Knowles), who flatters himself on his knowledge of the rules, well knows. The article in question was contained in an Ottawa paper and the statements I have read are quotations from your own leader.

Mr. Gillis: What Ottawa paper?

Mr. Stewart (Yorkton): You can see it afterwards if you want to.

Mr. Gillis: Not necessarily.

Mr. Speaker: Order. I think the question as to the source of the information should have been asked at the time the information was being given to the house. It is on record now and we cannot strike it off the record. The hon. member for Yorkton has given certain information to the house but there is one detail he has not given, and that is the name of the paper. If he has the name of the paper he might give it.

Mr. Stewart (Yorkton): I think it is the Ottawa *Citizen*. Anyway it is a press dispatch from Ottawa dated March 8.

Mr. Gillis: You are rather careless with your facts.

Mr. Stewart (Yorkton): You get these other people to help you out and you are out of order.

Mr. Knowles: On the point of order, it is not very long since the hon. member for Rosetown-Biggar (Mr. Coldwell) was prohibited from reading a letter to the house because he did not wish to give the name of the person who had written it. I ask the hon. member for Yorkton simply to give the house the name of the person who wrote the letter from which he read.

Mr. Stewart (Yorkton): I will read the rest of the letter and give you his name. I want to get through before nine o'clock.

Mr. Knowles: All right.

Mr. Stewart (Yorkton): It reads:

> The steel strike that tied up so much business here three years ago would never have happened had the men been given a government supervised ballot vote. Today 1,600 men of the Canadian Car and Foundry Company here are out. These men were summarily called out by the little Hitlers who boss them and never given a chance to vote on whether to accept the company's offer. With the C.I.O. furnishing the campaign funds for the C.C.F. naturally the party is under their domination. Had all the C.I.O. workers with their families voted C.C.F. as they are supposed to do the three seats here, Hamilton West, Hamilton East and Wentworth could easily have been carried by the C.C.F. The men as individuals dare not face up to these leaders (bosses) as reprisals come thick and fast but when it comes to a secret ballot vote such as the election yesterday at least half of them vote against the C.C.F.
>
> There should be a secret ballot vote conducted by government before any men can be ordered out on strike. The C.I.O. chiefs and the C.C.F. members would fight it but they preach democracy while practising something as near to naziism as it can be.

That letter is written by Mr. Milton N. Campbell who was a member of the old Progressive ginger group in the house for at least ten years, and later a member of the tariff board.

In addition it is not in the best interests of labour relations to transform the Canada labour relations board into a judicial body from which no appeal would lie. It is not in keeping with the best traditions of a democratic country to deprive individuals of the right of access to the courts in matters where penalties may be assessed against them. By removing the necessity for obtaining leave to prosecute from the minister the proposed amendment would tend to make the Canada labour relations board into a grievance committee for either employers or trade unions. The act has only been on the statute books since September, 1948. Nothing that has transpired since would indicate that the present provisions are not wholly effective for their purpose.

As I pointed out, in Saskatchewan we have been given certain labour legislation. A board has been appointed there; and the head of that board happens to be vice-president of the C.C.F. party. If you want to see what this board does on occasion, without requiring permission from the minister, without knowing anything about the laws of evidence or about sizing up witnesses or anything but C.C.F. politics, look at the words of the chief justice of Saskatchewan *in re* The Trade Union Act 1944, as reported in volume 2 of the Western Weekly Reports of 1949. The judgment of the court, delivered by the chief justice, who has been there many years, contains these words:

> I cannot bring myself to believe that this case is representative of the board's actions in general. If it is then I would say that the board's usefulness is at an end. Businessmen and employees alike will shudder at the thought of bringing their disputes before the board for settlement.
>
> The board, in some respects, is like the umpire in a baseball game. They both must be strictly impartial. The players and the fans will allow for an occasional mistake on the umpire's part but if the mistakes are flagrant and are constantly to the advantage of one side his usefulness is gone; the game breaks up in confusion and all good sportsmen leave the field in disgust. . . . .

That is the judgment of the chief justice of the court of king's bench, referring to the vice-president of the C.C.F. party, who was chairman of the board in our province. Regardless of the rights of labour or of any particular labour unions, there is another group of people who must be kept in mind in all matters of labour legislation. I refer to those people in Canada who belong to no unions at all. These include the great body of our farmers and the white collar workers to whom we often refer. They do not belong to unions; they are not part of this spiral which is forcing up wages and getting concessions for themselves. They must take what they get, and they need some protection also.

I have heard it said that a strike is healthy, and so on, but the average farmer in my constituency does not like strikes. The average man on the street who must pay more if strikes occur does not like them either. We in this country have been very fortunate in the relations that have been maintained between the labour department and all sections of labour in Canada. We must not put class against class, as the C.C.F. have been doing for the last eight years. They have done nothing but prophesy blue ruin, unemployment, and everything going to the bow-wows. If we have given any help to Russia and the communists it has been through their line of propaganda. That is what we have had in Canada. Thank goodness we have a labour minister who has been a union man himself and understands both the public and the various labour organizations. Because of his broadmindedness we have advanced labour legislation in this country.

Let us give that legislation a fair chance. Let us not try through that legislation to favour one party for political reasons. Don't keep bringing into this house silly amendments that would not work out any better than the labour laws in Saskatchewan are working at the present time. We are going to have another strike there this week in connection with the electric light plants, where there never was a strike before we had a C.C.F. government. I am opposed to any change in our labour law at the present time. I think we should be thankful for what has been done not only by the minister but by the experienced men in his department, both during and since the war, to maintain employment. As I say, the situation out west has improved tremendously, as it will improve all over Canada so long as these calamity howlers do not bring into this house half-baked legislation that means nothing and that no one in Canada wants.

Mr. Gillis: Mr. Speaker—

Mr. Mitchell: If the hon. member is going to close the debate—

Mr. Gillis: The Minister of Labour is going to talk it out.

Mr. Mitchell: I do not want to talk anything out.

Mr. Gillis: It is five minutes to nine. Let us vote on it.

Hon. Humphrey Mitchell (Minister of Labour): My hon. friend spoke for quite a while, and I think I should be permitted to say a few words. I want to say very frankly that fundamentally I am opposed to this legislation. That is a speech in a sentence. I do not believe in amendments to acts of parliament based upon hypothetical cases. If my hon. friend can show me one federal case—

Mr. Gillis: Do you want me to do it?

Mr. Mitchell: Yes.

Mr. Gillis: Give me one minute and I will give you a case.

Mr. Speaker: Order. If the hon. member speaks now he will close the debate.

Mr. Gillis: The minister asked for one example, and I can give it to him in one minute. That is the Hull Transportation Company case. They tested this legislation, and you know the results.

Mr. Mitchell: Oh, all right; I know all about the Hull Transportation case.

Mr. Gillis: That is one case. I can give you one or two more if you like.

Mr. Mitchell: They had their day in court.

Mr. Gillis: Before a magistrate who did not know there was such a thing as a labour code.

Mr. Mitchell: It is very easy to criticize the courts. The only reason my hon. friend is sitting in this House of Commons—he was not here the other evening when I explained it—is because of the rule of law and habeas corpus.

Mr. Knowles: Habeas corpus again.

Mr. Mitchell: Yes, and I told my hon. friend all about that the other evening. You cannot have your cake and eat it. You must have either a judicial board or a representative board; it is as simple as that. I say frankly and sincerely that I do not believe we should amend a law because of a hypothetical case.

Mr. Gillis: It is not a hypothetical case; it is a concrete example.

Mr. Mitchell: That is a matter of opinion, and you are only here as a matter of opinion.

Mr. Smith (Calgary West): On a point of order, Mr. Speaker, if neither of these hon. gentlemen knows who has the floor I would like a shot at it.

Some hon. Members: Nine o'clock.

Mr. Speaker: I am afraid I must deprive all hon. members of the opportunity of speaking on this bill this evening, because it is now nine o'clock.

Mr. Mitchell: Then I move the adjournment of the debate.

Mr. Speaker: The hour reserved for public and private bills having expired, the house will now resume the business under consideration at six o'clock.

SUPPLY

SENATE REFORM

The house resumed consideration of the motion of Mr. Fournier (Hull) for committee of supply, and the amendment thereto of Mr. Drew.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I should like to make a few observations on the amendment moved this afternoon by the leader of the opposition (Mr. Drew) with regard to the question of Senate reform. I do not think any serious person, certainly no serious person interested in the institutions of our country, can be happy when he surveys the position of the Senate at the present time. Even those of us on the outside, who do not participate in its proceedings and have no responsibility for it, cannot help but feel that it is a sad and indeed serious thing that an institution which has played a worthy part in the past and which in my opinion has an opportunity of playing a worthy part in the future should be allowed to languish in the position in which the Senate finds itself at the present time.

It is not as though a second chamber were a new idea that had not been tested before. We all know that second chambers have been employed by practically all serious, civilized nations in their forms of government. There may have been some changes during the war, but immediately before the war it could be said that few countries, and no major countries, were without a second chamber.

I am not going to pursue that further than to say that I think every serious person will wish, not that the Senate should be abolished but that it should be improved. Of course, Senate reform has become a kind of joke in this country because it has been talked about so long and nothing has been done about it. It has become like the weather. I want to recall to hon. members the fact that for thirty years—yes, thirty years—the matter has been commonly talked about. I go back to an incident in this house many years ago; it is not thirty years ago, but it is some twenty-six or twenty-seven years ago. I quote from *Hansard* of 1926-27, page 355, when the famous pledge with which nearly all members are familiar was disclosed or at any rate confirmed by the former prime minister in this house, in answer to a question by Mr. Evans. Mr. Evans asked this question:

1. What is the form or wording of the pledge, if any, taken from those who have been appointed senators during the last two years with a view to Senate reform?

2. How many have been thus pledged?

[Mr. Speaker.]

Here is Mr. King's answer:

1. An assurance of support of such measure of Senate reform, in conformity with the requirements of the constitution, as may be introduced by the Liberal administration.

That is Mr. King's answer, that the formal wording of the pledge was an assurance of support. And his answer to the question, how many, is this:

2. This assurance has been given by all who have accepted appointments to the Senate within the time mentioned.

Then two years ago the hon. member for Winnipeg Centre—

Mr. Knowles: North Centre.

Mr. Macdonnell (Greenwood): I am sorry, the hon. member for Winnipeg North Centre (Mr. Knowles) asked again as to these pledges; and again the then prime minister, Mr. King, replied. He said as reported at page 854 of *Hansard* of 1948:

There was nothing in the nature of a written pledge. There was no pledge made to the government, as a government. It was an undertaking that was given to myself, as the one who is responsible for nominating members to the Senate. How many there were from whom I received that assurance, I cannot say at the present time. Nor am I in a position to say just when I ceased to raise that question. It did not become as important later on when we had a majority in the senate—

There a delightful confession that you should all observe. In other words, Mr. King says in effect that he lost interest in it as soon as there was a majority in the Senate.

It did not become as important later on when we had a majority in the Senate, and were in a position to see that permanent legislation originating in this house was not defeated because of action on the part of a hostile opposition in the upper chamber.

I shall have occasion to show in a moment or two, Mr. Speaker, that there were different views held of the Senate—much better and higher views, in my opinion—and they were held by people, I am glad to say, in both of the old parties.

I call the attention of the house to this pledge situation. I do not know whether we should ask an accounting from these senators, who were appointed many years ago with the idea of Senate reform very much in their minds perhaps, and certainly in the prime minister's mind. I do not know whether to picture them as straining at the leash in all these years in order to have Senate reform effectuated. I do not know whether they were held back by the then prime minister or whether the reverse was the case; but at any rate we all know that during all these years nothing has been done except the uttering of a lot of brave words.

Then we come to the amendment this afternoon, and I should like to refer to what was said by the leader of the C.C.F. party. He said, and I think very truly, that this is a proposal we might well have expected to receive from the government. Certainly after all these years we might have expected to receive it. We did not, however, receive it from the government. What is worse than that, apparently not only was it not to be done by the government but it was not to be done by anybody else because apparently in this house only the government can initiate things. When this moderate resolution was initiated this afternoon by the leader of the opposition (Mr. Drew) the Prime Minister (Mr. St. Laurent) took the view that nothing should be suggested from this side of the house because he said that by so doing the leader of the opposition was inviting the house to defeat the government, to which the leader of the opposition quite properly replied that he was doing nothing of the kind, and that we should be only too delighted if the government saw fit to accept this motion and to vote for it.

I should be fair to the Prime Minister, or try to be. The other afternoon I made this same complaint that nothing could be accepted from this side of the house—it was in discussing a rather minor measure—and I must say that the Prime Minister behaved handsomely. He took me up on it. He said no, that was not the case; and in fact my amendment was accepted. It was a rather small matter, and it seems to me perfectly clear now that that was just a momentary relaxation of the rule that nothing at all must come from this side of the house, that nothing must originate except on the other side, and anything from here must be promptly voted down.

I must say that I think the Prime Minister enjoys greatly having a large majority, and I have no doubt that we all would. It is pleasant to see him look around the house and survey the serried ranks; and this afternoon he issued a kind of trumpet call at the end of his speech, saying that he hoped all those who supported him would vote with him. Really, that seemed to me to be a pure waste of words because there is little indication that there will ever be any doubt on that question.

But the Prime Minister gave another reason for refusing to accept this amendment this afternoon; and that reason was, if I may say so with proper deference to the Prime Minister, a most preposterous reason. As to accepting this amendment which suggests that the question of Senate reform might be presented to the government for discussion at the forthcoming dominion-provincial constitutional conference, the Prime Minister took an extremely high line and said that to do that would be to break faith with the provinces. I was a little bit startled when he used the words "break faith" because the Prime Minister on the whole uses words accurately, and breaking faith is not a charge that one likes to level hastily and carelessly at anybody. As I say, I was startled when I read the moderate wording of this resolution, but I was much more than startled—I was completely flabbergasted—when I examined the documents and found out that the Prime Minister was wholly and absolutely wrong in his suggestion, and that it was far from being a matter of breaking of faith. Incidentally I should say that I think the Prime Minister realized later on that to say it was a matter of breaking faith was going a bit far and he used different language; he said something to the effect that it would not be quite within the spirit of the negotiations which had taken place between the dominion and the provinces.

Let us have a look at that. Let me first of all read a short extract from an article written some little time since, but since last January, by Senator Lambert, which article begins with these words:

> During the dominion-provincial constitutional conference held in Ottawa last January, particular reference was made to the Senate by Hon. Angus L. Macdonald of Nova Scotia.
>
> He said that the sections in the B.N.A. Act dealing with the Senate were "of importance to the provinces no less than to the dominion." He contended that before any change in those sections could be effected, the consent of seven provinces out of ten would be essential to any proposed amendments by the dominion.

And I read on:

> The agenda for the meeting of the official representatives of the dominion and the provinces next autumn to discuss further ways and means of amending the B.N.A. Act should certainly contain an item relating to Senate reform.

And reading further on, he says:

> That is why the recent remarks of Hon. Wishart Robertson, the government leader in the Senate... have been attracting some attention throughout the country.

And again he says:

> In his reply now recorded in *Hansard*, and widely reported at the time in the Canadian press, Senator Robertson said that he was not interested so much in the headlines of the newspapers as he was in the effective performance of the duties of the Senate.

But do not let me rely wholly on an article written by Senator Lambert, although he is a responsible person and, I understand, is not many miles removed from the confidence of the Liberal high command. Let me read an extract from a speech made by Mr. St. Laurent himself last January at the conference, from which I read briefly as follows.

Senate Reform

In answer to a question by Mr. Macdonald of Nova Scotia, at page 76 he is reported as follows:

> The field really narrows down to these matters which affect the set-up of the central authority.

Then I skip a little bit and go on:

> For instance, those which refer to the Senate and to the representation in the House of Commons are, I think, a part of the Canadian constitution.

And more clearly, he says at page 94:

> Mr. St. Laurent: Would it be fair to take it, as a result of our deliberations, that there is no objection raised to entrenching . . .

Then I skip through three or four lines and he says:

> . . . a provision that the representation of the people of a province in the House of Commons would not fall below its representation in the Senate.

In other words, the question of Senate reform was discussed then; and to suggest that that is in some way improper is, I think, so far from the mark that I am amazed at the Prime Minister for ever slipping into such an error.

I will now take just a moment or two to refer to a conception of the duties of the Senate and to the usefulness and possibilities of the Senate which were held in that chamber not so very many years ago, and expressed first of all by Senator Raoul Dandurand who was at one time leader of the Senate in the 1920's, and also some remarks of the Right Hon. Arthur Meighen who was leader of the Senate from 1930 to 1935.

I would ask hon. members first of all to note the unanimity of opinion between these two men as to the duties, responsibilities and possibilities of the Senate. Second, I would ask them to note the high and useful conception which they had of the position of the Senate; and further, before I sit down I want to point out that that is not merely an imaginary picture of what should be, but a picture of what has been when the Senate has been properly conducted.

First of all, I shall read from an article in the Queen's university *Quarterly*. That is a publication which should be much more widely read than it is. Perhaps I may take advantage of this occasion to put in a plug for it. I am reading from page 21 of the issue of the spring of 1950:

> In 1922, soon after becoming government leader of the Senate, the late Senator Raoul Dandurand addressed his colleagues on the manner in which, he thought, the Senate should function. Analysing the character and work of the Senate he called for a return to the position of the first sessions of that body when Senators acted like "independent judges". He added, "For my part, I refuse to lead a ministerial party in this chamber; I claim no followers; I shun party discipline and the party whip." Later in his career, after the Conservative party victory in 1930, he became leader of the opposition in the Senate. On this occasion he recurred to his statement of 1922 and deprecated the reference to himself by any such title as "leader of the opposition", with its implication of partisanship.

The article goes on:

> Similar views have been expressed from time to time by other distinguished Senators. Senator Arthur Meighen, for years the Conservative party leader in the Senate, contributed a brilliant article to Queen's *Quarterly* in the summer of 1937. In it he emphasized the unique position of the Senate in the Canadian governmental scheme, and declared that the Senate's fundamental basis was that of representing territory as "against arbitrary action of a bare majority" possible in the House of Commons. He pointed out the Senate's supreme obligation to protect racial, political and economic minorities. Like Dandurand, he asserted that the forms of partisanship should be submerged.

And so on. Before I take my seat, Mr. Speaker, I should like to read another extract from the article by Mr. Meighen, because I suggest again that it puts before us in the clearest language the usefulness, the objective which should be before the Senate, and which distinguishes it sharply from this house. He said:

> The Senate is worthless if it becomes merely another Commons divided upon party lines and indulging in party debates such as are familiar in the lower chamber session after session. If the Senate ever permits itself to fulfil that function and that alone in the scheme of confederation, then the sooner it is abolished the better. This practice is not to be deprecated in the House of Commons. If we are going to have a democracy, the practice must continue. There have to be parties and party manoeuvres; there have to be conflicts and controversies innumerable in variety and wearisome in length.

Mr. Meighen could speak with some experience about that. I continue:

> The great scheme of bringing sections together, letting each see the viewpoint of the other, has to be worked out in the representative chamber. Sometimes we are too impatient and critical of governments in allowing what seems inordinate time for discussion of public business. That discussion is good, but it is not the function of the Senate. Members of the second chamber must get away, lift their minds far from those hard-drawn lines of party, or they cannot serve their country. They have to make up their minds to give every government fair play and not to stand in the way of legislation unless they are convinced it must be defeated on its merits, and that the consequences of failure to defeat it would be serious; nor to stand stubbornly in the path of any government proposal unless it is brought there in their judgment to serve the ends of party by largess in this or some other part of the dominion rather than the true interests of the nation.

I have no intention of detaining the house longer. I have put before the house these opinions expressed by men who served their country well. Before I take my seat I should like to remind the house—and I hope I do not say this in any partisan sense because it was possible only because both sides

worked at it—of the relationship between this chamber and the Senate in the years 1930 to 1935. Anyone who takes the trouble to look into the matter will find that first of all the Senate was left absolutely free by the then prime minister, Mr. Bennett. May I say, Mr. Speaker, that the reputation of that great man will live when the reputation of many of the detractors who are so fond of picking out little things will not even be a memory of a memory. But anyone who will take the trouble to find out what went on in the Senate between 1930 and 1935 will be convinced that I am right. That was not wholly due to Lord Bennett and Mr. Meighen. It was partly because Senator Dandurand took the same view as I have read here tonight. It was partly also because of course there was much more of equality in numbers in the Senate at that time.

To me there is nothing sadder than to see this body of able men—and there are many able men in the Senate—reduced to the point where in public estimation its reputation I suppose was never so low. That seems to me to be a crying shame. I was glad to hear the leader of the C.C.F. party refer to the obligation of the government. It seems to me a shame that this thing is to be stood over again. It is being stood over for reasons that in my opinion are utterly insubstantial, and the opportunity of doing something to rescue this great institution, before it falls too low, before public opinion reaches the point where it demands that it be done away with to the great injury of us all, may be lost.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wish to support the principle of the amendment moved this afternoon by the leader of the opposition (Mr. Drew). There are some points of detail in connection with this motion to which I might take exception, but I agree with its spirit and principle, and if it comes to a vote, I shall vote for it.

One of the reasons that I support this motion is that I feel a committee which had an opportunity to discuss the place of the Senate in our parliamentary set-up in this latter part of the twentieth century would have a chance to consider the desirability of abolishing the Senate altogether. In my view that is the most desirable and most useful means of reform, and I believe it to be in keeping with the thinking and the wishes of the Canadian people—certainly where I come from.

I am going to come back in a few moments to my argument that the Senate should be abolished, but before I do there are two things that I want to say. First I want to say this very clearly. In the minds of all of us, I am sure, there is a clear-cut distinction between the men and women who occupy places in the Senate and the Senate as an institution. As a matter of fact I feel sorry for the hon. gentlemen and ladies in the other place, that they have to take the kind of criticism that is offered; I hope they realize that it is criticism of the institution and not of themselves as individuals. I was counting up some days ago, and I believe there are about eighteen members in the Senate at the present time who were members of the House of Commons when I first came here eight years ago. In other words they are persons whom I got to know fairly well, and for whom I have a high regard. The same is true for others who were there before I came here and whom I have met in other ways.

So I wish to make it clear that, for my part—and I am sure all hon. members feel this way—when I criticize the Senate as an institution and when I voice feelings of disrespect and even ridicule felt by people in Canada, it casts no reflection upon the individuals of the Senate themselves.

Another thing I wish to do just now is to deal with two of the points at any rate—there might have been a third, but I did not make a note of it—raised by the Prime Minister (Mr. St. Laurent) this afternoon in his objection to this amendment. In the first place he objected to it on the ground that it was a gilded pill. His argument was that no matter how one might dress it up, an amendment to a motion to go into committee of supply was a motion of non-confidence, which had as its purpose—perhaps, he said, its fundamental purpose—the defeat of the government.

I wish to remind the Prime Minister that at least once within the memories of many of us in the house we had an occasion when an amendment to a motion to go into supply was carried by the house, the carrying of which did not involve the defeat of the government. That happened on August 27, 1948, in connection with an amendment related to the subsidy on milk. Hon. members from all sides of the house spoke in support of the amendment, whereupon the present Minister of Trade and Commerce (Mr. Howe) rose in his place and said that, so far as the government was concerned, they were willing that a free vote be taken. After that a vote was taken and the amendment carried; but the Minister of Trade and Commerce then got to his feet and, relying upon citation 489 in Beauchesne's second edition, again moved that Mr. Speaker leave the chair for the house to go into committee of supply.

The whole procedure was perfectly in order. The life of the government was not at stake at all. On the other hand the house did express itself with regard to a principle. The same can happen with respect to this motion today. All the government needs to do is to say that this is a principle concerning which they would like to have an expression of the views of the house. The motion could carry and then a minister could rise immediately and, relying on the citation to which I have referred, could move again that we go into committee of supply.

I think that precedent must not be forgotten, because it is a very clear one. In view of the fact that this is one of the very few ways in which the opposition can call upon the house to vote in respect of ideas or principles which we feel should be considered, I think the government should refrain from this constant referring to it as a case of non-confidence, and simply calling upon its supporters to vote it down on that basis, without any consideration of the merits of the proposal.

The other argument the Prime Minister advanced this afternoon was that to pass a motion such as this to set up a committee to discuss Senate reform, before the dominion-provincial conference holds its further meetings, would be a case of breaking faith with the provincial governments. I wish to point out first of all that the Prime Minister himself in reading from the relevant documents this afternoon indicated that what that conference is dealing with is methods of amending the constitution, not with subject matter. This has nothing to do with the methods of amending the constitution. Rather, this is a subject matter which some of us in the house feel should be considered.

May I also point out to the Prime Minister that no less a person than the Minister of National Health and Welfare (Mr. Martin) on March 10 of this year took the very opposite position to that taken this afternoon by the Prime Minister. That was the occasion when the Minister of National Health and Welfare was asking the house to set up a committee on old age security, upon which occasion he said, as reported at page 643 of *Hansard*:

> As we approach these discussions with the provinces, it will be helpful for us to have the considered views of all the parties in this house, of organized labour, of industry, of representative social welfare organizations, and of other interested groups in our population, who have given study through the years to the important question of old age security. I believe that in the formulation of a policy nothing could be more desirable before we finally meet the provinces, than to take the organized labour groups of this country into our confidence through this committee, as well as the farmers and other organizations.
>
> I think that attitude and that approach will commend itself to all hon. members.

[Mr. Knowles.]

Mr. Martin: Surely there is a difference in the kind of conference to which I was there directing attention, and the kind of conference to which the Prime Minister was referring. The conference to which he referred is one in which constitutional questions are involved. That to which I referred was a question involving financial considerations in which the jurisdictions of both federal and provincial governments were involved. I submit that, upon reconsideration, my hon. friend will realize that there is no analogy between the two situations at all.

Mr. Knowles: I wonder who is trying to do the gilding now. After all, the situations are exactly analogous in this respect, that in both cases we have matters of joint concern to the dominion and the provinces. In the one case the Minister of National Health and Welfare says, "Before we meet the provinces it would be a good idea to have a committee so that the government will know the views of parliament." Meantime provincial governments are no doubt getting the views of their legislatures on the question.

Similarly, in respect of ways of amending the constitution, I can imagine that many provincial governments are getting the views of their provincial legislatures on these constitutional matters before they meet the dominion government in a further session of the dominion-provincial conference.

I think that after all the government has some responsibility to parliament. It should know what parliament thinks about issues of this kind before it meets the provinces, just as the Minister of National Health and Welfare put it in connection with old age security. And even if the minister had not laid down the principle as well as he did, I suggest the idea would commend itself to hon. members that there is merit in the federal government getting the views of parliament before it meets the provinces, rather than waiting until after the die has been cast.

Mr. Martin: I would remind the hon. member of the inconsistency of the position he now takes. On that occasion he opposed the setting up of a committee, but now he is in favour of setting one up.

Mr. Knowles: I opposed the setting up of a committee, but I did not oppose parliament's discussing and taking action on the question of old age security; in fact I urged that that be done without the delay involved in holding sessions of a committee. On the other hand, what the Prime Minister is trying to do now is to prevent parliament's discussing, in whatever way it may choose, this question of

Senate reform, on the ground that that would be breaking faith with the provinces. I suggest the Minister of National Health and Welfare should have made his interjections when the Prime Minister was speaking, and should have set him on the right track.

To get around to the substance of the amendment by the leader of the opposition, I said at the outset that I believe the reform of the Senate most needed is its abolition altogether. I feel that the idea of a second chamber came out of a period in the forward development of the democratic idea, when people believed in democracy and believed in their elected representatives speaking for them, but were not quite sure and were not quite prepared to go all the way.

So, carrying over the idea that was in existence in the United Kingdom with respect to a House of Lords, which was made up of persons not elected by the people, the fathers of confederation agreed to have its counterpart here in Canada, namely, the Senate, which would be appointed rather than elected by the people.

In my view our thinking as to the validity of the democratic way has moved on considerably since 1867, and it is time now that the whole of our parliamentary set-up was on an elected basis, so that everyone in parliament would be directly responsible to the people.

That may suggest to some that the thing to do with the Senate is simply to put it on an elected rather than an appointed basis. If you do that, what you have done is to provide, shall I say, two Houses of Commons to discuss the same legislation. It seems to me that you would have a duplication of effort that would be completely unnecessary. I want to say again that so far as I am concerned anything that I say casts no reflection on the persons in the Senate. I do not even deny the fact that many of them deserve something from this country for the services they have rendered in public life. I would say that many of them probably deserve a pension of some kind for the services they have rendered in various ways, but that has nothing to do with the institution in which they are now functioning.

It is sometimes argued that it is desirable to have a second house to provide a check on hasty legislation passed in the one house. Experience has shown clearly that not since the early twenties has there been any tendency at all on the part of the other place to impose any check on the House of Commons. They are not performing that function at all. As a matter of fact things in this parliament have got to the place where what we are concerned about is not this House of Commons being checked by the Senate but the government being responsible to this House of Commons. That is the checking job that is on our hands in this generation, maintaining the concept of responsible government.

We are getting to the place where the government thinks that once it is elected at the polls it has a free hand to carry on as it wishes until the next election. It has been said a number of times on the floor of this house that the government is responsible directly to the people. Actually the government is responsible to parliament, and primarily responsible to that section of parliament elected by the people. That is the job we should be applying ourselves to. Any notion that the Senate provides any check has been ruled out, and our job is to make sure that we in this House of Commons provide the necessary check on the government, and that is a task for members of all parties in this house.

Any suggestion that the Senate provides protection for minorities, racial, religious, provincial or regional, is gone completely when the Senate is made up of an overwhelming majority on one political side as is the case at the present time. The best way to get a voice to speak for any particular group that feels it is a minority, that feels that its voice should be heard, is to have that voice raised in this House of Commons where members know they have the authority of being elected and can therefore speak more freely and more forcibly than is the case in the other place. I know that some of those hon. gentlemen over there whom we know and to whom we sometimes talk feel that way about it; they know that they have no authority to speak on behalf of the people such as we have simply because they have not been elected.

It seems to me that these things should be very thoroughly considered. I have made my position clear, that I think that times have changed and the point has been reached where we no longer need a second chamber. That is one of the things that a committee of this kind could discuss, namely the abolition of the Senate altogether. If that committee did not agree with me and did not go all the way I would go, a discussion of these matters would produce at least some measure of reform. It is clear from the experience that all of us have had in this House of Commons that it is difficult for any member of the opposition, indeed for any private member on either side of the house, to introduce any proposition substantive in character and get it put through this House of Commons. The best he can do is to get it considered by a committee.

If anyone moved a motion for a specific brand of Senate reform, if anyone moved a

motion for the abolition of the Senate, it would stand no chance of being passed. Government members would get up and say that we could not discuss such a proposition on the spur of the moment because it was the sort of thing that should be considered in committee. Here is a chance to refer this whole question, and an important one it is, to a committee to have it gone into thoroughly.

I was interested in some of the quotations that were read during the debate this afternoon by those who spoke and again this evening by the hon. member for Greenwood (Mr. Macdonnell), indicating the way in which this whole question has been tossed about across the years. One of the reasons why the Senate is the butt of so much critical comment is that Senate reform has been toyed with the way it is. It is now nearly thirty years since Mr. King was a young crusader for Senate reform, both in this house and out on the hustings. I have in my hand *Hansard* of July 19, 1924, where Mr. King is reported on page 4872 as having said:

> Mr. Speaker, having in mind the action of the second chamber with respect to the measure which has just been amended and also the fate of a number of bills adopted by the Commons and defeated in the Senate, I think hon. members will agree with me that the time has come when the Commons in Canada should seek to gain rights and privileges with respect to legislation originating in this chamber similar to those which have been obtained by the House of Commons in the parliament at Westminster. I may say that the government had under consideration, prior to the opening of this session, legislation with this end in view, but we were anxious the public should feel fully convinced of the necessity before pressing it on the attention of parliament. Hon. members will recall that at the close of the last session, and at the close of the preceding session, bills which were passed by this house and which touched matters that are very vital to the electorate failed of enactment owing to the action of the Senate. This year we have instances of bills that have passed this house in three separate sessions of parliament, and which have been rejected each time by the second chamber. I think we owe it to the people of our country with respect to laws demanded by the electorate to see to the supremacy in parliament of the elective chamber. I desire to assure the house that when parliament re-assembles steps will be taken by the government to obtain, if possible, means whereby bills may be enacted by and with the advice and consent of the House of Commons under conditions similar in principle to those which have been sanctioned for the parliament of the United Kingdom.

No one would seek to suggest what was in Mr. King's mind, but I imagine that he had in mind that at least we could get away from the situation where the Senate has a permanent veto which it can exercise year in and year out, *ad infinitum*, over legislation of the House of Commons, and get to the position they had at Westminster where the House of Lords could do it only so many times—the number having been reduced from time to time since then. But even that measure of reform, if that is what Mr. King had in mind away back in the early twenties, is still not implemented in this country.

The hon. member for Greenwood had something to say about the pledges that were taken by Mr. King from those that he put into the Senate back in those years. I should like to quote what I think is an interesting excerpt from *Hansard* of January 12, 1926, page 105. The speaker on that occasion was Mr. C. W. Bell, who was listed as the member for West Hamilton. He said:

> Not only the members of this house but the country will remember that the Prime Minister—

The reference there was to Mr. King.

> —in the last three and a half years has always declared his intention of effecting great reforms for the purpose of remedying the various ills from which this dominion has been suffering. But he has consistently given, as two great obstacles to this objective, the obstruction of the Senate and the influence of the Progressive party.

The party which he later absorbed.

> He made the statement from many a platform that upon his return to parliament one of the first things he would undertake would be Senate reform of such character that the upper house would be no longer in a position to render legislation futile. And speaking in London—

That was at London, Ontario, on October 16, 1925.

> —on October 16 last he made a statement which, if it is not known to every member of the house and to every man and woman in the country, ought certainly to be very well known. In the hockey arena in that city on the date I mentioned he said:
>
> "Only a few days ago a number of Senators were appointed. Every one has given me his pledged word he will be prepared, once a measure passes the Commons, to give it his support. Subsequent Senators will be appointed with that understanding, and as Providence takes away a few of the older members, you will have a Senate pledged to bring about the reforms for which the administration stands."

Well, Providence has done its part since that date but the Liberal party has not kept pace. A little later the questions, to which the hon. member for Greenwood (Mr. Macdonnell) referred, were asked. I would ask the indulgence of the house to refer to them again. These were questions by Mr. Evans and they appear in *Hansard* for February 16, 1927, at page 355. Let me read them:

> Mr. Evans: 1. What is the form or wording of the pledge, if any, taken from those who have been appointed senators during the last two years with a view to Senate reform?
>
> 2. How many have been thus pledged?
>
> Right Hon. Mr. Mackenzie King: 1. An assurance of support of such measure of Senate reform, in conformity with the requirements of the constitution, as may be introduced by the Liberal administration.
>
> 2. This assurance has been given by all who have accepted appointment to the Senate within the time mentioned.

As the hon. member for Greenwood indicated, in 1948, I placed on the order paper questions similar to those asked by Mr. Evans away back in 1927, but I was unable to get as specific an answer as the then prime minister, Mr. King, had given on that occasion. He did indicate that he recalled having obtained pledges of Senate reform in those years from every member he appointed but he could not quite remember just when he discontinued the practice.

So far as Mr. King is concerned, it is pretty clear that his crusading spirit for Senate reform vanished as the number of Liberals in the Senate increased. I hope that the overpowering number of Liberals that the present government has in the other place will not prevent the present Prime Minister (Mr. St. Laurent) from taking up the crusade for at least a measure of Senate reform if he cannot go all the way with me for its abolition. Here is another example of how this matter has been toyed with from time to time. On June 4, 1926, as found in *Hansard* of that year at page 4030, there appears this excerpt:

On the orders of the day:

Right Hon. Arthur Meighen (Leader of the Opposition): May I ask the Prime Minister if there is to be any action taken this session with respect to Senate reform? If not, when is the next move to be made in this direction and of what character?

Mr. Jacobs: At the next sitting of the house.

Right Hon. W. L. Mackenzie King (Prime Minister): I might say to my right hon. friend that the government would not like to prolong the session unduly in introducing the subject of Senate reform at this stage. My right hon. friend may be sure it will come up in due course.

In June, 1926, Mr. King did not want to prolong the session unduly to deal with Senate reform. It was to be dealt with in due course. Mr. King's period as prime minister has gone and Senate reform still remains to be carried through. The rest of the quotation is as follows:

Mr. Meighen: I should like to know further, if it is the intention of the government to call a provincial conference on the subject this summer.

Mr. Mackenzie King: I will not say just when but no doubt a conference will be held.

Mr. Meighen: Before another session?

Mr. Mackenzie King: I would not say as to that.

Any who were here in the days of Mr. King will recognize the authenticity of the remarks that I have quoted. My whole point in reading these few excerpts is to indicate the way in which the question of Senate reform has been toyed with down through the years. I think as a matter of fact that members of the Senate could get up from time to time—in that other place—on a question of privilege and complain about the way in which this whole question has been played with. They have it coming to them that the matter be taken seriously, and even though I may go further than the leader of the opposition (Mr. Drew) has indicated in his amendment, I certainly think that the house should go at least that far, should appoint this committee and have the matter investigated. I think we owe it to ourselves, to the Canadian people, and as I have already said, to the senators themselves.

Let me conclude by reading one other quotation. When I have read it I think there will be really nothing more to say. It is taken from *Hansard* of January 22, 1935, at page 102. I will indicate later who the speaker was. I would rather read the quotation first. It reads:

I believe it was the leader of the opposition who raised the discussion concerning the Senate. I am making reference to all these points because I believe one would do better to put his finger on the spot where the sand may be put into the machinery.

I hear someone saying that he already knows who it is.

The right hon. gentleman has said that we have a Tory Senate. If I gather anything from the temper of the Canadian people, and if it is the policy of the Senate to put sand into the machinery, then we will have to reform the Senate. The time has long since passed when the Senate should be used as unemployment insurance for many of those in political life.

The speaker on that occasion has had something to do with unemployment insurance since then, for he was none other than the present Minister of Labour (Mr. Mitchell). I suggest that we may not always agree with him now in some of the things he says, but certainly the statement that he made over in this corner of the house some fifteen years ago is very much to the point. If I may say so again, Mr. Speaker, I think it is unfair to the ladies and gentlemen in that other place as persons, that cracks like these can be made about them, that the Senate can be referred to as a scheme of unemployment insurance for some of those in political life. People who have served this country in public life for many years have some consideration coming to them, and I would say not just in the form of material assistance or pensions. They have coming to them the right to continue to serve the country in useful positions but let us not do the derogatory thing we are doing to them at the present time by simply putting them into an institution for which the country has, as the hon. member for Greenwood said, perhaps less respect now than has ever been the case.

Therefore, Mr. Speaker, I say again that for my part I think the time has come in the development of our democratic institutions when there should be no portion of parliament that is not responsible to the electorate directly. Therefore I think we do not need

the Senate at all. It should be abolished. But surely we cannot do less than to take the course that has been suggested by the leader of the opposition in his amendment, pass it, have this committee set up and get to work discussing this important question, and not leave it for another twenty-five or thirty years as has been the case already. As I sit down I remind the government that to pass the amendment does not defeat the government; that will come in due course. It would mean the setting up of the proposed committee but it would also mean, on the basis of citation 489, that the government could immediately move that we go again into committee of supply.

(Translation):

Mr. Pierre Gauthier (Portneuf): Mr. Speaker, an institution should continue to exist as long as it serves a useful purpose. It may be that some hon. members, like the one who has just resumed his seat, would be in favour of abolishing the Senate sooner or later, but they have not dared to say so openly. Ever since I became a member I have noticed that the matter of Senate reform has been mentioned quite often in debates in this chamber as well as outside the house. Some of those debates have shed some degree of light on this question which always attracts considerable attention.

In rising to take part in this debate, I have no intention of striking a fatal blow to the motion moved by the leader of the opposition (Mr. Drew). However, as regards the upper house, where French-speaking members have so often distinguished themselves, I feel duty bound if not to rise to its defence at least to bring forth some arguments in favour of its existence, of its survival.

Since I both think and act democratically, I believe that the Senate, though its members, unlike those of the House of Commons, do not have to stand for election, nevertheless keeps an open, attentive and practised eye on the various problems considered in this house. Even though some senators are no longer young, we must recognize that they have indeed acquired some experience. That, in my opinion, counts for a great deal in a man's life. May I refer to a few words spoken by a great American industrialist, Henry Ford, who said something to this effect:

> The best salary I have ever received is experience and I believe it is the most commendable thing in the world. It is something no one can take away from me.

I believe, Mr. Speaker, that when a member has spent fifteen or twenty years in this house as democratic representative of a constituency of his province, of his country, he has acquired some experience, a way of seeing things. He can also much better understand the economic, political, social and even religious problems which are fairly often brought to our attention. Too often, we hear the time-worn argument that the Senate is a body made up of people with one foot in the grave. Even if some senators are elderly, they nevertheless retain that alertness of mind that is found in younger persons. Besides, we must remember that certain members of the upper house, such as Senators Dandurand, Meighen and Beland, who had reached an advanced age, have made a very useful and commendable contribution not only to the Canadian nation but to the House of Commons.

If hon. members made it a point of finding out what goes on in the other place, they would see that during every session a great many issues are discussed in the various Senate committees, which proves the great usefulness of that hon. chamber and serves to justify its existence. The discussions that take place in those committees are important and useful enough to establish the necessity of the Senate's existence, even if its members are not elected.

Mr. Speaker, as I was saying a moment ago, a member of parliament who, for fifteen or twenty years has been a representative of the people, acquires a certain experience. I do not intend to pose as the Senate's defender, but if I put forward my views concerning it, it is not because I feel myself growing old, since after twenty-three years I am still full of the will and desire to fight. I believe that very often derogatory remarks are made concerning the other place. This subject should be approached, however, by really facing up to the problem.

There is no doubt that the point at issue is whether the Senate is useful and whether there is any justification for its existence. To prove it, we have but to listen to the proceedings of a committee of the other place on the rights and privileges of the human being. We would then see how exhaustively a matter which will eventually be submitted to this house is being discussed.

As far as that question of human rights is concerned—and it has been discussed even in the United Nations—I have followed with much interest and attention the work of the Senate committee. We can, I believe, hope that these deliberations will be of some use to us and that we will eventually benefit from them.

Besides, in every human being there is a phenomenon of a psychological nature that

makes him perfectible. As the Senate is itself made up of human beings, it is also perfectible, and even though some of its members are old, they are not less intelligent for it. If the situation need be improved in so far as the Senate is concerned, I believe that this house should undertake a more thorough discussion of this question.

The motion of the hon. leader of the opposition, in the terms in which it has been actually moved, might have the merit of initiating such discussion, but it should not be carried by this house. I go on record as opposing the resolution, not only to answer the bid of the right hon. the Prime Minister (Mr. St. Laurent), who has urged us to oppose it, but also as a member of the Liberal party, which leaves us with our freedom of action and allows us to express our mind openly. I am of opinion that the motion is a little too premature and should be given the six months' hoist. We must all be confident that the Senate will continue to fulfil its basic function and prove its usefulness.

I have here a letter signed by Mr. Paul de Martigny, published in *La Patrie*. It concerns the Senate indirectly. It is about people who are pensioned off. Many members and many Canadian taxpayers want an age limit for senators. Let them listen carefully to what I am about to read and they will see that such a request is interesting for those who are not so old, but not such a good thing for those who have reached a certain age. I quote:

> A man who is being retired is not very cheerful the day he bids his fellow workers farewell. Why? If you want to know, read what someone wrote to me.
>
> Retirement means the end of the struggle for a living and brings the assurance that one will not be left in need. That is much better than being let out on the street. It also means, however, that one is retired from active life and put with the has-beens. After having counted as something for a long time, one becomes nothing. For forty years, half a century, if you like, someone has been a cog in the big machinery of society. Then, on the grounds that this cog is old, it is put aside. Not very pleasant for the party concerned.
>
> I know, of course, that there is the other side of the picture: freedom after the long enslavement of work under conditions that sometimes proved very difficult. It is the end of each day's stupendous effort. But once the task is done, does the memory of it rankle the next day? Of course not, because people realize that life itself is made up of such little hardships which are as old as time. As we advance in years our eyes are opened, our illusions vanish, and we finally understand that life, seen at close hand, is not always beautiful.
>
> At any rate, it is not as beautiful as the long-anticipated retirement which gradually comes closer and closer until one day it is at hand and it does not look so promising as before. Above all there is the realization that tomorrow we may no longer be of any use. Retirement is like the beginning of a long unending regret.
>
> The more fortunate is not the retired man, it is the one who is not yet retired. It is the fellow worker struck by death at his work, like a soldier in the thick of the battle, weapons in hand.
>
> What good is it to drag out the monotonous and useless life of the retired man?
>
> What good is it to hark back to the same old stores of a past for which nobody cares? That is why the wise thinks twice before he asks for his retirement. To quit the daily task, however great the effort required, is like getting away from reality, so meagre, so hard though it may be. It is acting like the dog of the good man Lafontaine, who left its prey for a shadow.

Mr. Speaker, it is another psychological phenomenon when a man has worked hard all his life for society he finds one day that he has no longer any soul, that his services are no longer required, that he is considered too old to take part in public affairs.

We only need to look around us, not only in Canada but throughout the world, to see men over seventy who are still very active and who can bring into the discussion of public affairs the contribution of a valuable experience.

I need only mention the former prime minister of Great Britain, the Right. Hon. Winston Churchill, who, despite his seventy-five years, displays an extraordinarily keen mind during the Commons debates and the British elections. Thus the argument that the Senate is made up of men who are too old is worthless.

Besides, I believe the amendment was moved for the sole purpose of launching some sort of a debate and finding out the members' views on the matter.

I do not make these remarks because I have an eye on the other place, or because I want to defend the members of the Senate. I just want to say that the Senate is still a democratic institution, although its members are not elected.

Moreover, I think that the Senate should be protected against the idea, which is becoming generalized, that senators should be elected. To my mind, the Senate is endowed with a certain freedom of action which the elected representatives of the people do not enjoy.

As members of parliament we retain our liberty, but we know that we must sometimes follow public opinion instead of leading it. I remember that when I was still a student at the seminary, a former Quebec premier

told me that men in public life should lead public opinion and not follow it.

I believe that the members of the Senate are in a better position to lead public opinion under the present system than they would be if they were elected.

To those who look to the Senate with some emotion, I shall quote a proverb which I found somewhere and which speaks volumes in this respect:

The hardest thing to do is not to reach the top of the ladder, but to make one's way through the crowd at the bottom.

(Text):

DOMINION-PROVINCIAL CONFERENCE

TABLING OF FURTHER CORRESPONDENCE WITH PROVINCIAL PREMIERS

Right Hon. L. S. St. Laurent (Prime Minister): May I have the consent of the house, Mr. Speaker, to revert to motions for the purpose of tabling correspondence with the premiers concerning the autumn conference, and which was asked for the other day. I promised to see if there had been any further correspondence, and I find that there were three letters from Premier Douglas, with answers, and one from Premier Jones, with the answer. I should like to table that correspondence.

The Acting Speaker (Mr. Beaudoin): Has the Prime Minister (Mr. St. Laurent) the consent of the house to table the documents to which he has referred?

Some hon. Members: Agreed.

Mr. Fleming: May I ask the Prime Minister a question concerning the correspondence with the provincial premiers that he has just submitted? Is any provision made on the agenda for discussion of old age pensions or federal aid to education?

Mr. St. Laurent: The agenda has not yet been determined. We are receiving suggestions from the premiers and those suggestions are being circulated to the premiers of the other provinces for their views as to what should be the form of the agenda.

Mr. Drew: Then I take it, from what the Prime Minister has said, that there is nothing to prevent the agenda including what was suggested by the premier of Nova Scotia that there should be a full discussion of appropriate changes in the Senate.

Mr. St. Laurent: I do not know whether there will be any discussion of changes in the Senate. It is a financial conference; and I would imagine, with respect to the question—

[Mr. Gauthier (Portneuf).]

Mr. Drew: It is a constitutional conference.

Mr. St. Laurent: No. There are two conferences. The leader of the opposition (Mr. Drew) knows that as well as I do. There is a constitutional conference that has been adjourned and which is to deal with the proposal to seek an amendment of the constitution that would allow other amendments to be made here in Canada. Then there is a general conference, which is the conference that was promised at the last conference, to take place at least one year before the expiry of the agreements that have now been entered into with eight provinces. That is the one with respect to which I am tabling correspondence this evening. To further answer the question asked by the hon. member for Eglinton (Mr. Fleming), I imagine that we shall be considering the best possible use to which all revenues raised by the various levels of government from the Canadian people can be expended on behalf of the Canadian people.

Mr. Drew: Through you, Mr. Speaker, may I ask if it is not so, that the agenda is wide open for the consideration of any subjects that are regarded as appropriate by the government of the Dominion of Canada and of the provinces?

Mr. St. Laurent: Yes; provided there is agreement between the premiers of the provinces and the government of Canada that it should be included in the agenda.

Mr. Knowles: May I ask whether these various documents are just being tabled or whether the Prime Minister asked that they be appended to *Hansard?* The previous correspondence with the premiers was printed.

Mr. St. Laurent: I think the previous correspondence was printed as an appendix to *Hansard;* and if it is the desire of hon. members that that should be done, I think that you, Mr. Speaker, might so direct. That would apply to the correspondence concerning this conference.

The Acting Speaker (Mr. Beaudoin): Is it the pleasure of the house that these documents be printed as an appendix to *Hansard?*

Some hon. Members: Agreed.

(For the text of correspondence, see Appendix A, page 2793)

FLOOD CONDITIONS

TABLING OF MESSAGES FROM HIS MAJESTY THE KING, QUEEN JULIANA, AND THE PRIME MINISTER OF MALTA

Right Hon. L. S. St. Laurent (Prime Minister): I should like to table a copy of a message sent to the lieutenant governor of

Manitoba, through the governor general, on behalf of His Majesty, expressing his sympathy with the victims of the recent disaster; also a message from Queen Juliana of The Netherlands to the lieutenant governor of Manitoba, forwarded through the governor general's office; and a copy of a telegram, and my answer thereto, from the prime minister of Malta, also expressing the sympathy of the people of those islands with the victims of this disaster.

Mr. Knowles: Will these messages, particularly the message from His Majesty, be printed?

Mr. St. Laurent: There can be no objection to that. If it is the desire of hon. members that the text of the messages on behalf of His Majesty and the Queen, on behalf of the queen of the Netherlands and of the prime minister of Malta be printed as an appendix to *Hansard*, perhaps Mr. Speaker could direct that that be done.

The Acting Speaker (Mr. Beaudoin): Is it the pleasure of the house that these documents be printed as an appendix to *Hansard*?

Some hon. Members: Agreed.

(*For text of messages, see Appendix B, page 2795*).

SUPPLY

SENATE REFORM

The house resumed consideration of the motion of Mr. Fournier (Hull) for committee of supply, and the amendment thereto of Mr. Drew.

Mr. J. J. Smith (Moose Mountain): Mr. Speaker, there are a few observations that I should like to make on the amendment that is now before the house. I listened to the mover of the amendment, and I may say that I enjoyed the address he read to the house this afternoon. In fact, I had read much of the substance in it previously in *Maclean's* magazine, *Saturday Night* and other magazines, and I enjoyed it at that time. I may say that I agree with many of the things that were said.

As to reform of the Senate, I think possibly that is essential for the reason that among the people of Canada there is a strong feeling that the Senate is not filling the bill; that is, that it is not giving service commensurate with the money that is spent on it. When we speak of that matter, I think possibly we should take a look around home first of all and clean up our own backyard; because when it comes to the matter of money being spent for loafing, and days being spent in doing nothing, we have a good deal of it right here.

I agree with many of the things that have been said about the matter, but I cannot agree with the amendment because of the way in which it comes before the house. If that amendment had come in as a private motion, it would then have given to hon. members supporting the government an opportunity to vote for it. It may be said that they can support it anyway. But I do not think that any of the people who elected me on June 27, including many who are Conservatives, expect me to get up and support an amendment when by doing so it amounts to a vote of non-confidence in the government which I support. I think the leader of the opposition (Mr. Drew), who moved the motion, will agree that we do not intend to do that and that it is not the right thing for us to do; and I at least give the hon. member who seconded the motion, the member for Lake Centre, credit for having intelligence enough not to expect us to do this. For that reason, I am not going to discuss the amendment much longer. I think that possibly a committee to study this matter would be a good thing. Many things might be done. We might give them more to do. We could possibly have a limit on the age of the senators and they would have a purpose which they could fulfil, in examining the things that go on in this house. For instance, they could examine estimates, and so on, and it would not be necessary to set up royal commissions; they could do this if necessary. I listened with interest to the speech of the leader of the C.C.F. party and also to the other hon. members of that party. I have listened to their policies along these lines for many years. I heard the same speeches about ten years ago. I will not say whether I agree with them or not. Possibly there may be something in doing away with the Senate. For the last few years I have not heard these same statements from many members of the C.C.F. party because I believe when they got into power in Saskatchewan and they were gaining ground here they thought they might be able to use the Senate. Now that they will never have a chance to get into power here they are not interested in having a Senate at all.

As I say, I agree with some of the arguments that we should have a committee to investigate this matter, but I do not think that even the mover and the seconder of the amendment would expect the government supporters to be stupid enough to vote against the government's motion.

Mr. W. F. Carroll (Inverness-Richmond): Mr. Speaker, I am against doing away with the Senate of Canada. I am in favour of any reform that can be made in the Senate which

will be for the public good and for the government of this country. It does seem to me that the great cry that went up against the Senate in years gone by was on occasions when the Senate and the House of Commons were of a different political complexion.

My memory takes me back to 1897 or 1898 when the government of Sir Wilfrid Laurier passed an act in this house for the construction of a railway into the Yukon Territory. At the time every businessman in the country was against it. When it went to the Senate, which was a Conservative Senate, it was killed. If there was anything the Senate of Canada ever did to justify its existence it was the killing of the bill for the construction of a railway into the Yukon Territory. Then there was a great howl, among people with whom I have been affiliated for years, against the Senate. That died out in a few years' time and the businessmen of this country impressed upon the government of the day the inequity of building a road into the Yukon Territory.

There comes to my mind another occasion in 1912. Sir Robert Borden came into power in 1911. Sir Wilfrid Laurier's government had a plan to build a navy in this country under the control of the Dominion of Canada. When Sir Robert Borden came into power something had to be done, in the opinion of his government, and a bill was introduced in the House of Commons for the purpose of giving to Great Britain a tremendous lot of money to build naval ships. These naval ships were to be built in the old land and were to be controlled by the British Admiralty. That matter was discussed in this house without anybody having a wink of sleep from twelve o'clock on a Monday until twelve o'clock the following Saturday. During that debate the rules of closure were brought into the house. Finally the bill was passed in the house and it went to the Senate. At that time there happened to be a Liberal Senate and they turned down the bill. In my opinion that was the second time that the Senate of Canada justified its existence. There was quite a howl for a year or so from our Conservative friends on the matter of Senate reform.

I rather agree with the gentleman who spoke a while ago. I think charity should begin at home, and that we should do something about reforming this very house along certain lines, and that is something over which we have jurisdiction. But at the same time, as I said a moment ago, if there is any way of doing anything to the Senate that will make for better government in this country for the whole of Canada, then I am in favour of it. But I do not think I have heard anything in the speeches so far that would convince me that it is necessary to reform the Senate along certain lines.

First of all, in regard to reforming the Senate, there has to be an amendment to the British North America Act before it can be done. We may pass all the resolutions we like in this house; we may say we are going in for reform of the Senate, but unless the Senate agrees, there is no constitutional power which will make them agree to anything that we do in this house, and that is proper.

The British North America Act contains the constitution of this country; it contains the constitution under which the Senate is organized in this country. Until the British North America Act is amended, or there is some understanding between the various provinces, the House of Commons and the Senate, it is useless to talk about Senate reform.

I do not like to hear people say anything derogatory about the Senate. I do not think anything derogatory was said about senators as such, but I have heard it said in the past. So far as calibre of governing and intellect are concerned, the calibre of the Senate from 1867 down to the present time compares very favourably with the membership in this House of Commons. It is true that usually men a little older are sent to the Senate than most members who come into the House of Commons; but some years ago a very good rule was adopted. I do not think it is a rule, but it has become a custom that persons shall not be appointed to the Senate after they have passed their sixtieth birthday. Having regard to the death rate in this country in the past, few of them survive after their seventy-fifth birthday. Therefore, unless the life expectancy of people in this country is greatly extended, it is hardly necessary to insist that senators should get out when they reach seventy-five because they will not be there.

As I said, I am against the idea that we should do away with the Senate. As an institution it is something of which we should be proud. It is an institution that has done great work in this country. Since I came to the house the last time the thing that has struck me forcibly is that there has been a great reform in the Senate itself. I was in this house from 1911 on, 1917, 1921 and 1925. Rarely in those days was anything initiated in the Senate. I had not followed events from 1925 up until a year ago. I noticed that in this parliament a great deal of important legislation has had its initiation in the Senate, and when it comes to this house and goes into committee we can look back on the records

of the Senate committees and find out exactly what happened there, and it materially helps the work of this house.

Coming back again to the calibre of the Senate, I do not know whether I can point to people in this house who have any more ability to govern this country down through the years—I mean from the comparative standpoint—than the members who occupy Senate seats. I suppose that in this house we have men, including myself, of very poor calibre. We occasionally do have men who perhaps are not fully qualified in the matter of government. The same thing happens in the Senate—and that is not anything against the Senate.

Another point in favour of the Senate is that appointments are made to that body first because of business ability and secondly because they have had a good deal to do with government before their appointment to that body. Let me say—and I am not looking for a senatorship; if one were offered to me tomorrow I would not accept it—that I think it has been a good principle followed by both of the major parties to pick for seats in the Senate those who have had experience in government on the floor of the House of Commons. That is all to the good, so far as the Senate is concerned.

I believe, Mr. Speaker, that I have completed all I wish to say.

The house divided on the amendment (Mr. Drew) which was negatived on the following division:

YEAS

Messrs:

Adamson	Harkness
Argue	Hatfield
Black (Cumberland)	Hodgson
Blackmore	Jones
Blair	Knight
Brooks	Knowles
Browne (St. John's West)	Lennard
Bryce	Low
Cardiff	Macdonnell (Greenwood)
Casselman	McGregor
Catherwood	McLure
Charlton	Noseworthy
Coldwell	Pearkes
Coyle	Poulin
Diefenbaker	Quelch
Drew	Rowe
Fair	Shaw
Fleming	Stewart (Winnipeg North)
Fraser	Thatcher
Fulton	Thomas
Gagnon	Tustin
Gibson	White (Hastings-Peterborough)
Gillis	White (Middlesex East)
Graydon	Wright
Green	Wylie—51.
Hansell	

NAYS

Messrs:

Anderson	Huffman
Applewhaite	Hunter
Ashbourne	James
Bater	Kent
Beaudoin	Kirk (Antigonish-Guysborough)
Benidickson	
Bennett	Kirk (Digby-Yarmouth)
Black (Chateauguay-Huntingdon-Laprairie)	Lafontaine
	Laing
Blanchette	Langlois (Berthier-Maskinonge)
Blue	
Boisvert	Langlois (Gaspe)
Bonnier	Leduc
Bradley	Lefrançois
Brisson	Leger
Brown (Essex West)	Lesage
Bruneau	Little
Byrne	MacDougall
Cameron	MacLean (Cape Breton North and Victoria)
Campney	
Carroll	MacNaught
Carter	Macnaughton
Cavers	McCubbin
Chevrier	McCulloch
Claxton	McCusker
Conacher	McIlraith
Corry	McLean (Huron-Perth)
Cote (Verdun-La Salle)	McWilliam
Cruickshank	Major
Darroch	Masse
Dechene	Martin
Decore	Matthews
Denis	Mott
Dewar	Mutch
Dickey	Nadon
Dube	Proudfoot
Ferrie	Prudham
Fournier (Hull)	Richard (St. Maurice-Lafleche)
Fournier (Maisonneuve-Rosemont)	Richard (Ottawa East)
Fulford	Riley
Garland	Roberge
Garson	Robinson
Gauthier (Lake St. John)	Rooney
Gauthier (Sudbury)	St. Laurent
Gauthier (Lapointe)	Sinclair
Gauthier (Portneuf)	Smith (Queens-Shelburne)
George	
Goode	Smith (Moose Mountain)
Gosselin	Stick
Gour (Russell)	Studer
Gourd (Chapleau)	Thomson
Gregg	Viau
Harris (Grey-Bruce)	Ward
Harrison	Warren
Hellyer	Weir
Helme	Welbourn
Henry	Winters
Hosking	Wood—111.

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

Mr. Smith (Calgary West): I was paired with the hon. member for Edmonton East (Mr. Macdonald). Had I voted, I would have voted for the amendment.

FLOOD CONDITIONS

Mr. Alistair Stewart (Winnipeg North): Mr. Speaker, what I have to say perhaps might have been better said on motions when the

Manitoba Flood

Prime Minister (Mr. St. Laurent) made his statement on the flood situation, but I am almost certain that I would have been out of order. Therefore I have deferred making any statement until now. I want to tell those who are interested of those things which I actually saw, of those things of which I have firsthand information, but above all of those things which I have felt, which I have lived through having worked with people who today are suffering in desolation and helplessness.

When I came to this country nineteen years ago I landed at the port of Halifax. The immigration officer who examined my goods and effects asked me for what city I was bound and I said, "Winnipeg." He said, "I am glad to hear that because I have just come from there. I have spent some of the happiest years of my life in that city and I have a great affection for it." That is an affection which I myself have found growing over the years. But today there is something more than affection, there is admiration for a city and for a people which ties me to them with bonds that cannot be broken. I have seen heroism, not the heroism of a sudden deed of derring-do or the heroism of some act of gallantry which leaves one almost aghast, but the heroism of people who were down and never knew what it was to be out, the heroism of people who, when they could scarcely lift another limb, nevertheless found within themselves the physical and spiritual strength to fight the encroachment of the river.

I am going to speak of Winnipeg not because I wish to slight any other area, far from it, but because I know what happened there. I am quite sure that what I say of Winnipeg and its people can be applied to every other area which has been afflicted by floods. Therefore the house will understand why I limit my remarks. Yet I know of the case of a farmer, a man near Ste. Agathe, who finally was compelled to surrender to the river, who at the last moment took his wife and children out in a truck leaving behind him about 8,000 bushels of grain, some 200 hogs which even then were strung along the wires squealing madly, leaving his horses and livestock, the last sounds in his ears being the screaming of animals which were doomed to almost certain death. I think of the little poultry rancher near St. Boniface whose whole livelihood was bound up with 1,700 chickens some seven weeks old, not ready for market. Knowing he could not rescue them he slaughtered them. Being a good citizen and knowing the responsibility he might incur by leaving dead poultry lying about and the corruption that might take place, not only did he slaughter them but he also burned them. I think of the market gardeners who have lost everything they had. These things I know only by hearsay but I know them to be correct.

When I landed in Winnipeg it was perhaps natural that I should go to the area where I stay. I found there what I knew of course, that for the second time in two years my wife and I were evacuated. At the worst, however, we find it only somewhat of a nuisance, and certainly only a nuisance compared with the losses which so many others have suffered. What struck Winnipeg was no turbulent flood leaving disaster in its wake such as we saw in the Fraser river valley, but a slow seeping flow of water which it appeared could not be dammed back. It was so slow that the water seemed to have the viscosity of oil and yet it was ruthless and indeed at times almost frightening in its determination to conquer the city. That is the type of water which prevails of course in so many parts of the flooded areas.

As to the river itself, I have heard estimates that the current was only some seven or eight miles an hour. Yet I know on one occasion when I was out in a dinghy powered with a 12 horsepower outboard motor we were going against the stream and we made scarcely one mile an hour. It is a river with tortuous twists and bends, and being in flood naturally it has taken the shortest course to reach its destination and has swept straight across many sections of the city.

I think the time when our people suffered worst was over two weeks ago when rain started on Friday and continued. Altogether some two inches of rain, snow and sleet fell. It was during those days that heroism really was shown. Men and women would work for as long as seventy-two hours at a stretch without any respite in order to keep the river back. A friend of mine, for instance, the mayor of East Kildonan, who was the Progressive Conservative candidate in the last election, rose on Friday morning at seven o'clock and never saw his bed again until three o'clock on Tuesday morning. That experience was shared by many others, men and women alike.

The same story can be told of what happened in St. Boniface and on the dikes in Norwood. Working on the dikes, before lights were strung along them, was a most

precarious and hazardous task. In some cases the dikes were 14 to 16 feet high and as much as 20 feet deep. Sandbags had to be lugged up the dikes over slippery, slithery, greasy mud. Nobody will ever know how people did not lose their lives by falling into the river which was but 6 inches below the top of the dikes on the other side. It is true some fell in but they were saved. The task of building the dikes almost staggers the imagination. I worked on them in four-hour shifts, and I know the physical condition I was in at the end of four hours. What then must have been the physical condition of those who worked not for hours but for days?

I saw the ramp which the city engineering department built up to the Provencher bridge to maintain communications between St. Boniface and the city of Winnipeg. Not hundreds but thousands of trucks of gravel were carried to this area and dumped there so that a road could be made through the flood. I saw boys and girls working on the dikes. I saw grandfathers and grandmothers working on them, and every age in between. There were nuns who were filling sandbags and building up dikes to save hospitals. I saw one man who was pointed out to me as the best safecracker in western Canada. He was out on bail and was spending every available moment and all his energy in helping to build dikes. Those who were fighting were citizens of all types from professional gamblers to preachers.

Of course there were incidents which struck one forcibly. I remember a case where a truck careened onto a sidewalk and stalled there. It took the people who were there twenty minutes to slap, pummell, and shake the driver of the truck into consciousness. When he came around it was learned that he had been forty-nine hours driving trucks of gravel to the Provencher ramp without any respite. There were other incidents which perhaps had a more humorous aspect, and people were very ready to see the humorous side of things. For instance there was the report which came over the radio station that all mothers and children should evacuate immediately but single girls and able-bodied men should stay behind. Fortunately many people saw the humour of that. Another case, perhaps not so humorous, is that of the man who saw three dead hogs floating near his house. He was determined that he would get rid of them. He tried the best he could but one slipped away from him and unfortunately crashed through the window of his living room, and so far as I know it is still there.

Mr. Bryce: On the chesterfield.

Mr. Stewart (Winnipeg North): As I say I cannot speak of all parts of the city. Nevertheless I think my knowledge of what happened to one area will give members an idea of the situation. In Elmwood there was a tremendous fight to save the community. Men and women were working on the dikes day and night. They had to be sustained and canteens were set up by the women in homes, stores, community clubs, wherever it could be done, and hot food was taken to those who were working. Eventually it was organized on almost a professional basis. At first neighbours would go around trying to borrow a dozen eggs, some bacon or other meat, or anything which they could use to cook a hot meal. Women who were preparing their Sunday roasts would carve them up, place the dinner on a plate and send it down to the men who were working. Eventually some two or three thousand meals a day were being served to those who manned the dikes, and all these meals were being cooked in the homes of the people. When I think of meals I must mention the valiant task which the Red Cross and the Salvation Army performed in every neighbourhood. Their work is beyond all praise. Men would be toiling and slaving on the dikes; along would come a truck from the Red Cross with some girls in it serving sandwiches, coffee and cigarettes. Similar aid, of course, was given by the Salvation Army. There were fishermen who came down from Gimli and the little island of Hecla up north in lake Winnipeg. They took their boats over to the mainland, loaded them on trucks and brought them down to help the beleaguered city. Farmers from Dauphin brought their trucks to help. I saw businessmen from Saskatoon who had nothing to offer but their labour; nevertheless they came to give what they had. I think one of the most impressive sights of all was a Canadian who had been evacuated once before from British Columbia because his skin was yellow. He was of Japanese origin; and in gratitude for the treatment he had received in Winnipeg he left his job and devoted all his time, day and night, to working on the dikes. He said he was glad to do it, because in that community he had been regarded as a human being. There was one difference between this man and other citizens. It was not the pigmentation of his skin. The difference lay in the fact that he had only one hand, having lost his right hand in an accident some two or three years ago.

But the danger is not yet past. It is all very well to read these Canadian Press reports saying that the danger is subsiding. Such is

not necessarily the case. The river is only inching down, and there is still the possibility that dikes may go. But care is being taken to see that no lives are lost. In the Luxton area, for instance, which was visited by the Prime Minister (Mr. St. Laurent), people can go to their flooded homes only when they get permission, when they get a boat, and when they have registered. They are given a card and go about their task, whatever it is; then on their return they surrender that card. In that way the community knows that no one will be lost.

At the same time, however, I think it is right to say that people are now getting their second wind. There is a growing feeling of security amongst them. The pressing urgency is subsiding; and now people are beginning to ask questions. Who is going to pay for the farm homes which have been destroyed? Who is going to pay for the livestock that has been drowned? Who is going to pay for the tractors and other implements that have been left to the mercy of the floods? Who is going to pay for those city homes which are so irretrievably damaged? Today the Prime Minister said that according to Central Mortgage and Housing there were some eight thousand of those homes. I think that is an understatement. The city of Winnipeg knows perhaps more about it than Central Mortgage and Housing, and their estimate is much higher. What of the man I saw with his wife; a man of about fifty-five, who throughout his working life had toiled to own his own home and who is now without work and also without a home? What about the veteran who placed all that he had in the way of rehabilitation credits in a home, which now has been devastated by the floods? The problem which faces Winnipeg and the surrounding community now is not so much one of relief as a tremendous social problem. We were confronted with this fact, for instance, that there are men out of work due to the floods. There were those who had lost their jobs, but whose families were still resident in the city. There were those who had lost their jobs, whose families had been evacuated, but whose homes were still intact. There were those who not only had lost their jobs and whose families had been evacuated, but who had completely lost their homes.

In the packing house industry, of which I know something, the members of the union across Canada decided they would raise money to maintain the incomes of those who had lost their jobs. We took up the matter with the big three packers, and eventually the packing house companies decided that as a matter of policy they would pay all their men for time lost because of floods. That means the money which the union is now collecting can go into the general Manitoba relief fund. But I am sorry I cannot say the same practice is being followed by other branches of industry.

The question in the minds of the people is who is going to pay for all the damages. Obviously the municipalities cannot. Equally obviously the provincial government cannot. While we in Winnipeg and southern Manitoba are eternally grateful for the assistance that has come from every part of Canada, nevertheless it is clear that this fund which the Prime Minister seems to think will deal adequately with rehabilitation in the long run will amount to nothing more than a pittance. We had the extraordinary situation some weeks ago of the governments of Ontario and Saskatchewan offering all the assistance they could give and the premier of Manitoba, still blind to the menace confronting us, declining it. In Winnipeg the Prime Minister said that what he saw was a calamity. I think perhaps he used the wrong word; what he saw was a disaster. The calamity lay in the quality of leadership, or lack of leadership, given by the provincial authorities.

No one knows yet what is going to happen. The city of Winnipeg, by and large, is bearing the financial brunt not only for itself but for the surrounding municipalities. I live in the municipality of West Kildonan. There they could not afford to put down even one sandbag and the homes went by default. Yet the provincial government has done nothing to help this or other municipalities. Instead, the city of Winnipeg is today borrowing well over $100,000 a day, I am sure, for immediate flood purposes. This cannot go on indefinitely, yet still there is no word from any senior government, whether it be provincial or federal, as to what help will be given.

It is eleven o'clock, Mr. Speaker, and I therefore move the adjournment of this debate.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow we will continue this debate to go into supply and call the items I mentioned last night. Then we will take up the bills I also mentioned last night. The order will be the same as announced at that time.

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

Appendix A

DOMINION-PROVINCIAL CONFERENCE—CORRESPONDENCE WITH PROVINCIAL PREMIERS

PREMIER'S OFFICE
Saskatchewan

Regina, March 8, 1950

The Rt. Hon. Louis S. St. Laurent,
Prime Minister of Canada,
Ottawa, Ontario.

My dear Prime Minister:

In your letter of December 19th you were kind enough to suggest that you would be glad to receive recommendations as to subjects for discussion which the government of Saskatchewan would like to see placed on the agenda for the proposed Dominion-Provincial Conference next autumn.

Attached please find a list of the topics which we would like to see considered when the proposed agenda is being formulated. We would be pleased to submit further details with regard to any of the items mentioned should you wish further clarification of the various topics which we have listed.

Yours sincerely,

T. C. Douglas.

Suggested topics for discussion which in the opinion of the Saskatchewan government should be placed on the agenda of the general Dominion-Provincial conference—Autumn, 1950

1. Financial arrangements
   (a) Rowell Sirois report—National adjustment grants
   (b) Tax rental agreements
   (c) Indirect taxation rights for the provinces
   (d) Federal assistance to provinces in capital financing

2. Social security and allied topics
   (a) Comprehensive social insurance: unemployment, old age, health, etc.
   (b) Extension of unemployment insurance to cover farm labour
   (c) Assistance to self employed
   (d) Extension of old age pensions to all 65 and over and abolition of means test

3. Public investment
   (a) Counter-cyclical investment—planning and financing of anti-depression public works
   (b) Federal assistance in development of agriculture and natural resources
   (c) Dominion-Provincial relationships in re water conservation and development

4. Marketing of natural products
   (a) Responsibility for marketing schemes
   (b) Expanding domestic consumption and disposition of surpluses

5. Transportation
   (a) Federal assistance for highways
   (b) Control of inter-provincial traffic on highways

6. Education

7. Housing

8. Labour
   (a) National labour code
   (b) Implementation of I.L.O. conventions

9. Regional development
   (a) Participation in regional authorities for planning and development.

10. Dominion-Provincial Conference
   (a) Regular conference with permanent secretariat

OFFICE OF THE PRIME MINISTER
Canada

Ottawa, March 13, 1950

Hon. T. C. Douglas, M.L.A.,
Premier of Saskatchewan,
Regina, Sask.

My dear Premier:

I duly received your letter of the 8th instant enclosing a list of suggested topics for discussion which, in the opinion of the Saskatchewan government, should be placed on the agenda of the General Dominion-Provincial Conference, Autumn, 1950.

We propose when we have received suggestions from other provincial governments to circulate the suggestions for further consideration. In this connection I note that one of the subjects mentioned in your list is "Education" and that it is not qualified in any way. Since education is exclusively within provincial jurisdiction, and is one of the most cherished of all provincial rights, my colleagues and I would be somewhat apprehensive that the circulation of any suggestion for its inclusion in the agenda, wherever it originated, might give rise to a feeling of anxiety on the part of a large number of Canadians. It may be, therefore, that you would feel it advisable to indicate more specifically what the government of Saskatchewan has in mind.

Yours sincerely,

Louis S. St. Laurent

PREMIER'S OFFICE
Saskatchewan

Regina, April 15, 1950

The Right Honourable Louis S. St. Laurent,
Prime Minister of Canada,
Ottawa, Ontario.

My dear Prime Minister:

Thank you for your letter of March 13th, in which I note you request some expansion of Item 6 ("Education") of the topics the government of Saskatchewan thought should be placed on the agenda of the Dominion-Provincial Conference to be held this autumn.

In brief, it is our feeling that there should be a minimum standard of educational opportunity available to all the children of Canada. It should make no difference whether the children are educated in the maritimes, in the central provinces or in the west. A high level of educational opportunity is basic to our democratic way of life.

However, great inequality of educational opportunity exists among the various provinces due to

such factors as the number of children to be educated, distribution of population and financial ability of the province. The federal government is the only agency able to bring about an equitable distribution of educational opportunities. It is suggested, therefore, that this problem should be recognized by the federal government, and that rectifying steps be taken either by considering educational need as a factor in determining the amount of federal subsidy, or as a problem warranting special and direct financial assistance from the federal government. It is further suggested that such financial assistance does not in any way need to interfere with provincial jurisdiction in the field of education.

I am sure that you would agree that the future of our nation is dependent upon the children of today. The standard of their education should not be determined by locality. We feel confident that this problem can only be adequately dealt with on a nation-wide scale. In our opinion the provision of assistance to establish a minimum standard of education could be accomplished by federal grants to education without any interference with the exclusive jurisdiction over the matter of education which is now enjoyed by the provinces.

For these reasons, we feel that this subject should be given serious consideration by the conference.

Yours sincerely,

T. C. Douglas

OFFICE OF THE PRIME MINISTER
Canada

Ottawa, April 17, 1950

Hon. T. C. Douglas, M.L.A.,
Premier of Saskatchewan,
Regina, Saskatchewan.

My dear Premier:

I duly received your letter of the 15th instant, setting forth the views of the government of Saskatchewan as to the reasons why they feel education should be one of the topics placed on the agenda of the Dominion-Provincial Conference to be held in the autumn.

Yours sincerely,

Louis S. St. Laurent

PREMIER'S OFFICE
Saskatchewan

Regina, May 9, 1950

The Right Honourable Louis S. St. Laurent,
Prime Minister of Canada,
Ottawa, Ontario.

My dear Prime Minister:

There is apparently one more problem which might be properly considered at the Dominion-Provincial Conference this autumn. I understand the National Physical Fitness Council has considered questions arising out of the application of the National Physical Fitness Act recently, at which time the Honourable Paul Martin indicated that he considered the matters of sufficient importance that they should be on the agenda.

The problems involve:

(a) A ruling, I believe, of the Treasury Board defining the act as applying only to grants in aid of *physical* fitness. It is contended that this is unduly narrow, as a better term would perhaps be "recreational" or some similar expression which would include grants for arts and drama.

(b) A further question is the sufficiency of funds made available for these important purposes, that play such an important role in the development of our Canadian culture.

The council has yearly passed resolutions in favour of changes in the act. Perhaps, as the Honourable Mr. Martin suggests, the matter should be placed on the agenda.

On behalf of the government of Saskatchewan, we wish to support Mr. Martin in having the problems arising out of the National Physical Fitness Act considered by the conference this autumn.

Yours sincerely,

T. C. Douglas

OFFICE OF THE PRIME MINISTER
Canada

Ottawa, May 23, 1950

Hon. T. C. Douglas, M.L.A.,
Premier of Saskatchewan,
Regina, Saskatchewan.

My dear Premier:

I duly received your letter of the 9th instant suggesting that problems arising out of the National Physical Fitness Act might be included in the agenda for the general conference of the federal-provincial governments in the autumn.

I shall not fail to see that the views of the government of Saskatchewan on this point are communicated to the governments of the other provinces for their consideration.

Yours sincerely,

Louis S. St. Laurent

PREMIER'S OFFICE
Prince Edward Island

Charlottetown, Prince Edward Island,

May 17, 1950.

Right Honourable Louis S. St. Laurent,
Prime Minister of Canada,
Ottawa, Canada.

Dear Mr. St. Laurent:

In reply to your earlier letter requesting suggestions as to topics which, as a provincial premier, I thought should be placed on the agenda for consideration at a fall dominion-provincial conference, the then impending meeting of our legislature indicated the desirability of a slight delay in order that the importance of the subject matter receive proper attention.

We had hoped that an early reconvening of the constitutional conference might have taken place, and possibly some problems clarified in the course of the discussions there.

It is apparent that such is not within the bounds of early probability, and I now suggest the following as matters which, I think, should be placed on the agenda at the proposed conference:

(a) Consideration of the scope of provincial public services and its relation to provincial public debt and revenue.

(b) Consideration of the problem of provincial finance as affected by federal programs intended to further the extension of provincial public services.

(c) Review of federal and provincial spheres of taxation with the underlying consideration—the preservation of provincial autonomy.

(d) Negotiation of extension or renewal of federal-provincial tax rental agreements based on current and developing need.

(e) Transfer of certain existing services to federal jurisdiction and adjusting taxation structure to permit provincial solvency, and subsidy revision.

(f) Review of old age pensions and other health and welfare services, and adjustment of federal contributions to provide for an equitable distribution of burden.

(g) Consideration of federal and provincial responsibility for reasonably comparable educational facilities and opportunities throughout Canada as a whole.

(h) The problem of matching grants in its relation to provincial finance.

(i) Specific Prince Edward Island difficulties in relation to transportation.

(j) Provincial economic development. In particular the encouragement of shipping in the gulf of St. Lawrence area and Newfoundland area so that Prince Edward Island products may reach their natural markets.

The above list is not necessarily exhaustive but at least contains some of the matters which we feel should be discussed at the conference.

Sincerely yours,
Walter Jones

Manitoba Flood

OFFICE OF THE PRIME MINISTER
Canada

Ottawa,
May 23, 1950.

Honourable J. Walter Jones, M.L.A.,
Premier of Prince Edward Island,
Charlottetown, P.E.I.

My dear Premier:

I duly received your letter of the 17th instant, listing topics which the government of Prince Edward Island suggest to be placed on the agenda of the dominion-provincial conference to be held in the autumn.

Yours sincerely,
Louis S. St. Laurent.

Appendix B

FLOOD CONDITIONS

Messages from His Majesty the King, Queen Juliana and the Prime Minister of Malta.

OTTAWA, May 23, 1950

His Honour
The Lieutenant Governor of Manitoba,
Winnipeg, Man.

I am commanded by the Governor General to send Your Honour the text of the following telegram received by His Excellency from His Majesty the King today: The Queen and I have watched with anxious concern the flood situation in Manitoba. We are greatly relieved and thankful to learn that there is now every reason to expect that the flood will recede. We sincerely hope that this may be so and that the great city of Winnipeg will soon recover from the crisis through which she is passing. Signed George R.

J. F. Delaute,
Assistant Secretary to the
Governor General.

OTTAWA, May 23, 1950

His Honour
The Lieutenant Governor of Manitoba,
Winnipeg, Man.

I am commanded by the Governor General to send Your Honour the text of the following telegram received by His Excellency from Her Majesty Queen Juliana of The Netherlands today: Profoundly touched by the disaster caused to Winnipeg and surroundings by the catastrophal floods I beg you to accept my feelings of deepest sympathy for the stricken inhabitants in this part of the great country to which I am so much attached. Signed Juliana R.

J. F. Delaute,
Assistant Secretary to the
Governor General.

1235.23 May 50.L.

Prime Minister
Ottawa

On behalf of the government and people of these islands I convey to you sincere sympathy at the loss suffered in Winnipeg during the recent floods.

Boffa
Prime Minister
Malta.

OTTAWA, May 23, 1950

Prime Minister Boffa
Malta

I shall be pleased to convey to the House of Commons the message of sympathy which you were kind enough to send me on behalf of your government and the people of Malta. You may be assured that your sympathy will be appreciated by the affected people of Winnipeg and region as well as by all Canadians.

Louis S. St. Laurent.

HOUSE OF COMMONS

Wednesday, May 24, 1950

The house met at three o'clock.

FIELD MARSHAL SMUTS

TRIBUTES AND FELICITATIONS ON HIS EIGHTIETH BIRTHDAY

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, before proceeding with the business of the day, and on a matter of general privilege, I feel it would be appropriate to recognize the fact that today is not only the birthday of Queen Victoria, but it is also the birthday of the senior statesman of the British fellowship throughout the world. Today in South Africa Field Marshal Smuts is celebrating his eightieth birthday. It is appropriate that here in Canada we should indicate our own good wishes to a man who has contributed so much to the development of this great British association to which we belong; to a man who in his own life has given a remarkable demonstration of the way in which friendship may grow out of understanding, and, because of the genius of our system, those who have even been enemies can stand side by side in the great cause of freedom.

Field Marshal Smuts was actually in command of the Boer troops during a considerable period of the South African war. Shortly after that, when South Africa became associated with the rest of us in this common endeavour which is called the British empire, the British commonwealth, or by whatever other term one chooses to describe this really remarkable fellowship of free people, he showed the way in which the hand of friendship can be extended after hostilities have ceased. Surely there can be nothing more dramatic than the fact that one of the most gallant soldiers on the other side of the Boer war became the commander of the South African troops in the war of 1914-18, and again during the second world war was not only prime minister of South Africa but also the supreme commander of the South African troops.

Field Marshal Smuts has been a truly remarkable man, and his service has not by any means been confined to South Africa. Today, when thoughtful people everywhere are reaching out for a wider basis of understanding among the nations of the world, it is interesting to recall that, out of his early experience, he has always sought the widest measure of understanding among nations. He is the only man in public life today who was an active representative of a government at the time the charter of the league of nations came into existence at Versailles in 1919. In the spring of 1945 he went to San Francisco with the experience of a man who had seen the dream of the league of nations emerge, and had seen that dream shattered. It was he who was largely responsible for the drafting of the opening paragraphs of the declaration of the United Nations. In that declaration he sought to overcome the weaknesses of the covenant of the league, which had failed to preserve peace.

Today this man, with eighty years behind him, still shows that out of all that experience he is building for the future. I feel sure that we in this House of Commons today, far separated in distance from South Africa, would wish to extend our best wishes for many happy returns to this great citizen of the free fellowship to which we belong.

Right Hon. J. G. Gardiner (Acting Prime Minister): Mr. Speaker, I am sorry the Prime Minister (Mr. St. Laurent) is not here on this occasion, because I am sure he would have considered it a privilege to agree with what has been said by the leader of the opposition (Mr. Drew). Indeed, he probably would have taken it upon himself to express the congratulations which have been so well expressed by the leader of the opposition.

Since the Prime Minister is not here, however, I find myself in the position of speaking for the group who sit on this side of the house, and on the other side, nearest to you, Mr. Speaker, as well; and in doing so I want to join with the leader of the opposition in the expression of the points of view he has just stated. During the Boer war, General Smuts was one of the leaders who at that time opposed us, and after the war ended in peace he took a leading part in bringing together the peoples of the southern part of the African continent, in very much the same manner as the leaders on this continent had on a previous occasion brought together the two great races here. I have no doubt that had men such as Montcalm lived through the battles of those days and

settled in this country, to carry on in relation to what has happened since they would have taken much the same position as General Smuts has taken in South Africa.

I would remind hon. members that when the terms of peace were being discussed and new organizations were being set up in South Africa to meet the new situation, Canada was copied perhaps to a greater extent than any other part of the British commonwealth. From that time until this, General Smuts has taken a great interest in what has been going on in this country, and in doing so has tended to bring our peoples closer and closer together. By applying the same practices and principles in the southern part of Africa as were followed here, he has done much in many parts of world to promote the interests of the commonwealth as they have been promoted here.

For these reasons it gives me great pleasure to join the leader of the opposition in extending congratulations to this grand old man who in his own country has seen so many of his efforts brought to fruition.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, although the leader of the opposition (Mr. Drew) said he was speaking for the group with which he is associated, and the Minister of Agriculture (Mr. Gardiner) said he was speaking for the party sitting on the government side, which has an overflow on this side, they really expressed the sentiment of all hon. members, no matter where they may sit in the house.

I have much pleasure in associating the members of the C.C.F. party with the felicitations extended to Field Marshal Smuts. I believe the story of the lives of Smuts and Botha, and some of their associates who were leaders of the Boer forces against the armies of the empire during the Boer war, indicates that they rendered notable service in promoting the welfare of this commonwealth of nations.

Our good wishes go out to Field Marshal Smuts today, particularly in view of the disturbed conditions that prevail in South Africa. The field marshal has taken a much more moderate attitude than some others do toward racial difficulties in that country; and I hope the day is not far distant when the people of South Africa will join with the other members of the commonwealth in banishing for ever the racial discrimination that now mars the good name of the Union of South Africa.

Hon. Brooke Claxton (Acting Secretary of State for External Affairs): Mr Speaker, may I say in the first place that I understand the

Prime Minister (Mr. St. Laurent) has already sent a message to Field Marshal Smuts on the occasion of his eightieth birthday.

It so happens that in 1946, during the conference discussing the terms of peace with Italy and the other four satellites of Germany, it fell to my lot to tender a luncheon party to some of the leading figures at the conference. On that occasion the guest honoured by all was Field Marshal Smuts, the only man present who had been prominently associated with the Paris conference which concluded the first great war. The event took place in the room in the Crillon where Field Marshal Smuts had worked with President Wilson to draft the charter of the league of nations.

RED CROSS

DR. PAUL RUEGGER—TRIBUTE TO WORK OF INTERNATIONAL COMMITTEE

Hon. Brooke Claxton (Acting Secretary of State for External Affairs): Mr. Speaker, by coincidence the house is privileged today to have among those who sit in the galleries one who represents another great work for humanity, Dr. Paul Ruegger, president of the International Red Cross. I should like again to express the appreciation every Canadian feels for the splendid work done by that great organization, particularly in respect of the 9,552 Canadian prisoners of war, for whose care and custody and welfare the international committee of the Red Cross in Geneva, and also, in its capacity of protecting power, the country of Switzerland, were responsible. They won and earned our admiration, our gratitude and our continuing support for what was done on behalf of humanity.

OFFICIAL SECRETS ACT

PERSONS LISTED IN NOTEBOOK OF KLAUS FUCHS

Hon. Stuart S. Garson (Minister of Justice): Yesterday the hon. member for Kamloops (Mr. Fulton) asked me a question in the following terms:

> Has there been any examination or re-examination of the loyalty of any of the 150 persons then resident in Canada listed in the notebook found as a result of the espionage investigations of 1945 and 1946, since the trial of Dr. Fuchs?

The notebook referred to in the hon. member's question was in fact a pocket address book, containing, as the question indicates, the names of 150 persons then resident in Canada. It formed only one item of many thousands of documents seized in the searches made in conjunction with the arrests of spy suspects in 1946. In this mass of material so seized there were many such notebooks; also desk calendars, memo pads, telephone finders, mailing lists, etc., which

contained thousands of names, addresses, telephone numbers and miscellaneous entries. All this material was carefully examined, including the notebook in question.

The list of 150 names referred to was carefully checked to ascertain which of these 150 names, if any, were those of persons who could be suspected of espionage or subversive activity. It was found that a limited number of the persons named belonged to either or both of these groups. In all such cases where positive identification proved possible, the entries were then related to and dealt with on the appropriate investigation files. As some of these investigations are still current, it will be appreciated that it would not be desirable to specify the number of persons identified.

The majority of the entries in this notebook, however, refer to professional people and others of good repute whose loyalty is beyond question.

All these investigation files have since remained extant. They, and the notebook in question, have been examined from time to time as a matter of security routine on every occasion, both before and after the trial of Dr. Fuchs, when information secured in other police investigations or from other sources indicated that such re-examination might contribute to and strengthen security measures.

[*Later:*]

On the orders of the day:

Mr. Gordon Graydon (Peel): Mr. Speaker, I should like to direct a question to the Minister of Justice, arising out of the statement he made today about the espionage case. Without attempting to minimize the responsibility of the United Kingdom government with respect to the Fuchs case, I should like to ask the minister a question I directed to another minister in a committee but which did not wholly come within that minister's department. Does the minister know whether or not the person who had the notebook was carefully examined as to the qualifications and history of all the people mentioned therein? I mean the 436, not just the 150 who were Canadians. As I understand it, six were United Kingdom citizens.

Some hon. Members: Question.

Mr. Graydon: I am asking the minister the question. Was the man with the notebook examined as to the six United Kingdom citizens? It seems to me that only the names were forwarded, and not the result of the examination, if any.

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, I think the hon. member was aware of the answer to the question while he was asking it. He wants to know whether I know anything about this matter, and he knows perfectly well that I do not. Not having had anything to do with the examination of the gentleman concerned, I could not possibly answer the question without consulting with the Royal Canadian Mounted Police. I shall be glad to do that, taking my hon. friend's question as notice for that purpose, but without making any commitment about bringing down an answer.

Mr. Graydon: I want an answer from somebody in the government.

DOMINION ELECTIONS ACT

QUESTION AS TO MEETING OF SPECIAL COMMITTEE TO CONSIDER SUGGESTED AMENDMENTS

On the order for motions:

Mr. George A. Drew (Leader of the Opposition): I rise on a question of privilege. On Friday last I raised a question about the calling of the standing committee on privileges and elections, but I was in error in referring to that committee. What I intended to refer to was the motion moved on April 18 by the Secretary of State (Mr. Bradley) for the setting up of a special committee "to study the several amendments to the Dominion Elections Act, 1938, and amendments thereto, suggested by the chief electoral officer"; the motion then went on to enlarge upon the subjects to be considered. In view of the fact that that motion for a special committee was presented over a month ago by a member of the government, and was agreed to, may I ask the Secretary of State when it is his intention to call the committee together?

Hon. F. G. Bradley (Secretary of State): I understand that the committee is in process of organization. I shall make inquiries and give my hon. friend further information tomorrow.

FLOOD CONDITIONS

BRITISH COLUMBIA—TABLING OF REPORT OF RELIEF COMMISSION

Mr. James Sinclair (Parliamentary Assistant to the Minister of Finance): Yesterday, at the request of the hon. member for Winnipeg South (Mr. Mutch), I tabled an interim report on the Fraser valley flood. At that time the hon. member for Winnipeg North Centre (Mr. Knowles) asked whether there were any other reports that had been made by this rehabilitation commission and, if so, would they be tabled. I made inquiries and I find that that commission was appointed not so much to

make surveys and reports as to do a job. They did that job, and did it well, and at the end of the job they sent a letter to the Minister of Finance. Of course they were working in the closest co-operation with the government of British Columbia which, as in Manitoba today, was the government which had the direct responsibility for the administration of flood relief. If the house wishes to have tabled the letters between the minister and the rehabilitation commission, I shall table them; but they do not constitute an official report such as the hon. member requested.

Mr. Stanley Knowles (Winnipeg North Centre): I thank the parliamentary assistant for the explanation he has given. I think it would be worth while to have this correspondence tabled.

SOUTHERN MANITOBA—TAX EXEMPTIONS ON RELIEF FUND CONTRIBUTIONS

On the orders of the day:

Mr. J. A. Ross (Souris): I should like to direct a question to the Acting Minister of National Revenue, although I believe it will concern also the Minister of Finance. Will consideration be given to the request of the Canadian Chamber of Commerce that contributions to the Manitoba flood relief fund be exempted from taxation over and above the five per cent now allowed corporations and the ten per cent allowed individuals? If I may be permitted a word, it has been estimated that $5 million, half of the proposed objective of the fund, can be raised by corporations within Ontario if they are allowed this exemption.

Hon. Robert H. Winters (Acting Minister of National Revenue): Mr. Speaker, the same point was raised a few days ago. The statement made then indicated that donations would be tax free provided they were supported by a proper affidavit that the funds were to be used for the purpose of flood relief.

Mr. Ross (Souris): Over and above the five and ten per cent?

Mr. Winters: I will have to check that and refer to what was said a few days ago.

Mr. Ross (Souris): I do not believe exemption was provided over and above the five and ten per cent.

Mr. Speaker: Is it agreeable that the question be taken by the minister as notice?

Some hon. Members: Agreed.

[Mr. Sinclair.]

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

JUDGES—NEWFOUNDLAND

Mr. Garson: On May 3 a question standing in the name of the hon. member for St. John's East (Mr. Higgins), was answered, as appears at page 2124 of *Hansard*. I wish to table a revised answer to this question. The question and the revised answer follow:

Mr. Higgins:

1. Have steps been taken to appoint a fourth judge to the Supreme Court of Newfoundland?
2. If so, when will such appointment be made?
3. How many district court judges are to be appointed in Newfoundland?
4. When are such appointments to be made?

Mr. Garson:

1. No.

2. Answered by No. 1.

3. No district court judges can be appointed until the Judges Act is amended to provide the salaries. A bill will be submitted to amend the Judges Act by providing salaries for five judges.

4. Answered by No. 3.

MIGRATORY BIRDS CONVENTION ACT—REMISSION OF FINES

Mr. Gillis:

1. What is the maximum penalty provided by the Migratory Birds Convention Act for infractions of its regulations?
2. What is the heaviest penalty paid under this act in Canada in the past five years?
3. How many convictions have been secured in Canada under this act during the past five years, with names of offenders and fines paid, by provinces?
4. Have any fines been remitted to offenders during the past five years by order in council or under instructions from any official of the responsible department?
5. Have any representations requesting the remission of fines imposed been received from any (a) members of parliament; (b) members of any provincial legislatures; (c) other particular body that might endeavour to pressure the government in this respect?

Mr. Prudham: On behalf of the Minister of Resources and Development I should like to table the answer to this question with the exception of part of section 3 which asks for the names of persons who have been convicted under the act. I have consulted with the hon. member for Cape Breton South (Mr. Gillis) and he has agreed to withdraw that part of the question on the condition that the list is made available to him or any other hon. member wishing to see it.

The answers follow:

1. The maximum penalty provided by the Migratory Birds Convention Act for infraction of its regulations is a fine of $300, or

imprisonment for a term of six months, or both fine and imprisonment as stated.

2. The heaviest fine imposed under the above act in Canada from April 1, 1945, to March 31, 1950, according to the records of the department, was $100. In many cases the imposition of a fine was accompanied by forfeiture of weapons and equipment. The records place no specific value on the goods confiscated.

3. From April 1, 1945, to March 31, 1950, departmental records show that 579 convictions were secured under the Migratory Birds Convention Act, distributed territorially as follows: Prince Edward Island, 47; Nova Scotia, 66; New Brunswick, 52; Ontario, 77; Quebec, 250; Manitoba, 8; Saskatchewan, 59; Alberta, 11; British Columbia, 7; Yukon Territory, 2.

In some cases the same person was convicted on the same day of more than one offence, with separate penalties being imposed; such convictions are recorded separately. The names of the offenders are not being tabled with this return, but the list is available to any member wishing to see it. The figures quoted include only convictions secured on information laid by the Royal Canadian Mounted Police, and do not include convictions secured on information laid by provincial game officers holding the appointment of game officers ex officio under the act. It is not the practice of provincial authorities to report such cases to the federal government.

4. Departmental records indicate that only one fine of $10 imposed for infractions of the Migratory Birds Convention Act has been remitted to an offender during the last five years. Evidence submitted to the Department of Justice after conviction was that a provincial game officer had previously given this offender incorrect information regarding the boundaries of a bird sanctuary in question, and that he had been apprehended while he believed, in accordance with that information, that he was outside the bird sanctuary. On the strength of this evidence his Excellency the Governor General requested that the fine be remitted.

5. No representations requesting remission of fines, other than the one mentioned, imposed under the Migratory Birds Convention Act, have been received by this department during the period since April 1, 1945, from any person or organization.

HOUSING—CONSTRUCTION BY CO-OPERATIVE GROUPS

Mr. Browne (St. John's West):

1. How many houses have been built by co-operative groups during each of the years 1946 to 1949?
2. Where are these houses located by provinces?
3. What was the cost per unit for each group?

Mr. Prudham: The department was unable to get complete answers to this question, but such information as is available has been forwarded to the hon. member for St. John's West, and he has agreed to drop the question.

Question dropped.

RATES FOR CARRYING OF FREIGHT BY TRUCKS

Mr. Hansell:

1. Who is responsible for determining rates for carrying freight by truck within each of the provinces?
2. Who is responsible for determining rates for interprovincial freight by trucks?

Mr. Chevrier:

1. Each province has full jurisdiction over intraprovincial traffic on provincial highways.

2. The federal government has claimed the right to exercise jurisdiction over interprovincial highway traffic, but this claim has been disputed by certain provinces.

LEGAL SERVICES—DOUGLAS MCNISH AND D. W. H. HENRY

Mr. Conacher:

1. What was the result of the case of Paul C. Gilbert, sued by the crown on October 27, 1949?
2. What amounts were paid to Douglas McNish and D. W. H. Henry as legal fees?

Mr. Garson:

1. No decision has been given.
2. No legal fees have been paid.

TAX AGREEMENT WITH NEWFOUNDLAND

Mr. Browne (St. John's West):

1. What amounts of money have been paid to the government of the province of Newfoundland since April 1, 1949, by virtue of the recent tax agreement?
2. On what dates were these payments, and what amount on each occasion?

Mr. Sinclair:

1 and 2. $4,859,747.46, on March 29, 1950.

ESPIONAGE—NOTEBOOK OF KLAUS FUCHS

Mr. Fulton:

1. Have the Royal Canadian Mounted Police been able to identify all of the 150 persons then resident in Canada, listed in the notebook found as a result of the espionage investigations of 1945 and 1946, containing the name of Klaus Fuchs?
2. If not, how many have they been able to identify?

Mr. Garson: The notebook referred to in the hon. member's question was in fact a pocket address book containing, as the question indicates, the names of 150 persons then resident in Canada. It formed only one item of many thousands of documents seized in the searches made in conjunction with the

arrest of the spy suspects in 1946. In this mass of material so seized there were many such notebooks, also desk calendars, memo pads, telephone finders, mailing lists, etc., which contained thousands of names, addresses, telephone numbers and miscellaneous entries. All this material was carefully examined, including the notebook in question.

The list of the 150 names referred to was carefully checked to ascertain which of these 150 names, if any, were those of persons who could be suspected of espionage or subversive activity. It was found that a limited number of the persons named belonged to either or both of these groups. In all such cases where positive identification proved possible, the entries were then related to and dealt with on the appropriate investigation files. As some of these investigations are still current, it will be appreciated that it would not be desirable to specify the number of persons identified.

The majority of the entries in this notebook, however, refer to professional people and others of good repute whose loyalty is beyond question.

Mr. Fulton:

How many of the 150 Canadians listed in the notebook found as a result of the espionage investigations of 1945 and 1946 and containing the name of Klaus Fuchs (a) have been in the employ of the dominion government at any time since June, 1945; (b) are now in the employ of the dominion government?

Mr. Garson: This question cannot be answered with precision in view of the time covered by (a) and the vagueness of the identifying data available in the notebook. It can be said, however, that the number involved was small. With the exception of two persons who appeared before the royal commission on espionage and subsequently relinquished their positions, there can be no reflection upon the loyalty of the other government employees identified.

NATIONAL RESEARCH COUNCIL—EMPLOYEES DISCHARGED FOR SECURITY REASONS

Mr. Fulton:

1. How many employees of the national research council have been discharged for security reasons since January 1, 1946?
2. What were the dates of such discharges?

Mr. McIlraith:

1. Two.
2. March 4, 1946, and March 29, 1946.

SOLDIER SETTLERS—SECURITY ON LAND

Mr. Fair:

1. Under the soldier settlement board legislation dealing with veterans of world war I was it the practice or policy to take a mortgage on a settler's own land to provide security for the soldier settlement board's loan for the purchase of land?
2. If so, in how many cases was security taken on the settler's land?
3. Did the soldier settlement board take foreclosure proceedings to secure title to such land given as security?
4. If so, in how many instances?

Mr. Mutch:

1. Yes, under the terms of section 32 of the Soldier Settlement Act, in some cases where security was insufficient. In other cases, second mortgage was taken; in the case of dominion lands, a charge was registered.

2. There is no statistical record of these cases, and the expense of examining all soldier settlers' accounts is not considered justified.

3. Yes, in some cases.

4. There is no statistical record of these cases, and the expense of examining all soldier settlers' accounts is not considered justified.

QUESTIONS PASSED AS ORDERS FOR RETURNS

STATIONERY USED BY GOVERNMENT DEPARTMENTS

Mr. Fulton:

1. For each branch or department of government as shown at pages 2 and 3 of the estimates for the year ending March 31, 1951, how many different types, sizes and forms of stationery for correspondence are presently authorized?
2. How many different types, sizes and forms of envelopes are presently authorized?
3. How many different types, sizes and forms of memorandum paper are presently authorized?

IMPORTS FROM JAPAN

Mr. Hansell:

1. What was the value in dollars of imports from Japan during the years 1948 and 1949?
2. What were the chief classifications of these products in 1949, and what is the value of each?

Mr. McIlraith: Return tabled.

T.C.A.—TRANSPORTATION FOR GOVERNMENT PERSONNEL

Mr. Diefenbaker:

1. What is the total amount paid to the T.C.A. for air transportation for government officers, employees or officials in each of the fiscal years 1948-49 and 1949-50?
2. Of the said amount what was the amount expended for travelling (a) within; (b) outside of Canada?

R.C.A.F.—TRANSPORTATION FOR MINISTERS AND PARLIAMENTARY ASSISTANTS

Mr. Fraser:

1. What cabinet ministers and parliamentary assistants used R.C.A.F. planes for travel during (a) 1949; (b) first two months of 1950?

2. Where were these trips to, and was return made by air?

3. What was charged each department for each of these trips?

4. What was the estimated cost for each of these trips to (a) the R.C.A.F.; (b) government-owned planes; (c) other commercial planes?

NORTH CHANNEL SHIP AND YACHT REPAIR COMPANY

Mr. Knowles:

1. Has any effort been made since May 4, 1950, to ascertain whether Mr. H. K. Hill is connected in any way with the North Channel Ship and Yacht Repair Company?

2. Is the North Channel Ship and Yacht Repair Company registered at the local registry office at Kingston, Ontario?

3. If so, who is listed as the owner or proprietor thereof?

MOTIONS FOR PAPERS

SOUTH SASKATCHEWAN RIVER PROJECT

Mr. Diefenbaker:

For a copy of all engineering reports concerning the feasibility of the South Saskatchewan river and irrigation project that have been received since the first of August, 1949.

Mr. Diefenbaker:

For a copy of all correspondence between the government of Canada and the government of the province of Saskatchewan since June 1, 1949, and to date, in connection with the South Saskatchewan river power and irrigation project, and in particular concerning the division of financial responsibility in and for the construction of the said project as between the two governments.

Mr. Gardiner: Mr. Speaker, may I point out to the hon. member for Lake Centre that the same information as is sought by this motion was requested before and was brought down on April 17.

Mr. Diefenbaker: I am concerned only with anything since that date.

Mr. Gardiner: There has been nothing since.

Mr. Diefenbaker: Dropped.

Mr. Speaker: Dropped.

CARLETON COUNTY, N.B., RURAL MAIL SERVICE

Mr. Knowles:

For a copy of all correspondence in the possession of the Post Office Department with reference to the establishing of rural free mail delivery routes for the communities of Holmesville, Mineral, Moose Mountain and Killowen, in Carleton county, New Brunswick, and the eliminating of the post offices at Mineral, Moose Mountain and Killowen, including (without restricting the generality of the foregoing) a copy of all correspondence, and any maps or charts referred to therein, exchanged between the Post Office Department or any officers thereof and Mr. D. R. Bishop.

Inquiries of the Ministry

RADIO BROADCASTING

QUESTION AS TO REFERENCE OF CERTAIN ESTIMATES TO SPECIAL COMMITTEE

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): I should like to ask the Acting Minister of National Revenue if he will give consideration to having items 267 and 268 of the estimates, relating to the international shortwave broadcasting station, referred to the special committee on radio broadcasting for study and report.

Hon. Robert H. Winters (Acting Minister of National Revenue): I will take the question as notice and give an answer later.

ENEMY PROPERTY

CANADIAN CLAIMS FOR WAR DAMAGE—REFERENCE TO ANSWER TO QUESTION ON MAY 15

On the orders of the day:

Mr. E. D. Fulton (Kamloops): I should like to ask the Secretary of State to be good enough to give the information I asked for on May 16 as a supplementary statement or explanation of an answer to a question I asked about assets of former enemies in the hands of the custodian of enemy property.

Hon. F. G. Bradley (Secretary of State): I have been in touch with the officials of the department, and a statement is being prepared.

SUPPLY

The house resumed, from Tuesday, May 23, consideration of the motion of Mr. Fournier (Hull) for committee of supply.

FLOOD CONDITIONS

Mr. Alistair Stewart (Winnipeg North): Mr. Speaker, I have not time to give continuity to the remarks I was making last night by recapitulating what I said. My concluding words were that we had not yet received word from any senior government as to what financial aid was to be given. I shall deal with the provincial government later. At the moment let me deal with the federal government.

We have been told that aid will be given on the same terms as aid was given to those who suffered from the floods in the Fraser valley. I feel that that would be excellent, if it is correct. I am informed that a grant of $5 million was given to British Columbia in the case of the Fraser valley, which rather more than covered rehabilitation costs. An order in council, P.C. 2644, passed in June, 1948, declared the British Columbia flood to be "a national disaster so serious and pressing

as to make it necessary for the good government of Canada that the government of Canada join with the government of British Columbia in taking relief and rehabilitation measures."

I know of no such statement being made so far about the flood situation in Manitoba. I know that the Prime Minister (Mr. St. Laurent) has called it a misfortune of the first order, whereas we in Manitoba are inclined to call it, on the basis of our experience, a national disaster. When the Prime Minister was in Winnipeg the other day he attended this by now notorious press conference. He was asked by a reporter if the government had formally recognized the flood as a national emergency. As reported in the Winnipeg *Free Press* for May 22, 1950, he replied:

> I do not like the words "national emergency." When something happens to Canadians, then all Canadians are interested. Already there is ample proof of the widespread effect upon Canadians that this flood has had.

May I say that there is most widespread and generous proof indeed, but not yet proof from the senior governments. At a later stage the Prime Minister was asked if he had found the picture as black as it had been painted, and he replied, "Perhaps not". We are told on the front page of the Winnipeg *Free Press* that the Prime Minister made a four-hour tour of the dikes. One cannot hope to see the misery which prevails in the community in a tour lasting only four hours. The Prime Minister also said at the same conference that relatives of his had been affected by floods, that they had recovered and re-established themselves by their own efforts, and so far as they were concerned good luck to them. But the Prime Minister's relatives did not have the flood problems from which the people of Point Douglas in Winnipeg are suffering today. Working class people there have lost their homes and their jobs. Families have been evacuated to points all over the prairies.

In British Columbia the grant was for one phase of the flood. We do not know whether that is going to be so in Manitoba. In addition to the grant there was, however, another seventy-five per cent paid by the federal government toward the cost of fighting the floods, and for the building of permanent dikes. I should also like to point out that the commission which has been appointed has been requested to ascertain the cost of emergency precautions to guard against the recurrence of floods. We are not at all interested in emergency precautions. What we are interested in is something much more permanent. It is plain that the federal government must make its position amply clear so that the people of Winnipeg and Manitoba generally may know where they stand.

I think it only right that I should indicate in chronological order the sequence of events. Here I want to refer to the Winnipeg *Tribune*, a newspaper to which I have made uncomplimentary references in the past and to which I shall probably refer in the same way in future. I am retracting those references for the period of this crisis, however, for this newspaper has shown courage, vision and a consciousness of responsibility which I find heart-warming in a time such as this. On April 4 the newspaper reported that there were serious floods along the Red river in North Dakota. I believe the permanent officials of the provincial government knew of the situation long before that and that they advised their superiors; nevertheless no action was taken. On April 10 this newspaper warned the people that snow and cold would increase the city flood danger. No action was taken by the premier. On April 11 the *Tribune* warned the city that floods threatened its well-being; still no action by the premier. On April 12 the people of Fort Garry and East Kildonan, without any help, started to reinforce their own dikes; still no word from the premier. On April 14 an agreement was entered into with the Department of National Defence under which the province of Manitoba agreed to pay for whatever services were rendered; yet the services of the army, the navy and the air force were not utilized until May 6.

I can find no explanation for such a lack of action. It may have been a complete failure to appreciate the devastation which threatened. It may have been a matter of pettifogging parsimony; I do not know. I am only reciting facts as I know them.

On April 18 the Red Cross proclaimed that the floods at Grand Forks in the United States were a disaster; no word from the premier. On April 21 the river was over its banks in certain areas of Winnipeg; the premier was quiet. On April 24 the river was two feet under the 1948 peak; still no word from the premier of Manitoba. On the same date Elm Park, a residential area, was cut off; yet the premier was silent. On May 1, as hon. members will recall, members of all parties in this house discussed the matter of the floods in Manitoba, and we urged the premier of that province to declare it a national emergency. Still he was silent. During that week thousands of homes were evacuated; still there was silence. Thousands of people left the city; the silence continued.

Finally, on May 6, Brigadier Morton, G.O.C. prairie command, was appointed controller of flood relief; but let there be no misunderstanding as to the meaning of that word

"controller". It meant very little indeed; for when I went to the dikes and asked people who was in charge, they said no one was in charge. They were doing the work themselves, without supervision or direction, in order that they might save the city. The army had no power either to requisition materials that were needed or to direct people to the areas which needed help most. During those days the Winnipeg *Free Press* was asking for some centralized control or authority that could give priority to the needs of the city, but to the best of my knowledge that action was never taken.

When I speak of Brigadier Morton, let me take this opportunity to pay tribute to the tremendous efforts of the men of the navy, the army and the R.C.A.F. to help save the city. In particular, my colleagues here from Quebec might be interested to learn that the men of the Vingt-deux regiment played a great part in building that forty-foot dike which today protects the city hydro power station from immersion.

Finally, on May 7, the premier of Manitoba asked the federal government to recognize the situation in that province as a national disaster. Only then did he make his request, but after that he resumed the lethargy which had characterized him up to that time and said nothing more, even though representatives of the city and municipalities went to him and pleaded for some statement as to what part of the cost the province would be prepared to bear. Still there was silence. A meeting of that kind took place only a week ago, and the only result was a wire from the premier to the Prime Minister of Canada asking him to visit the flood area. The premier would give no commitment to those people who were carrying on the battle against the flood. By his silence he piled indecision upon frustration. It is true that night after night he would go on the air to tell the people what he thought was happening. He told of the grand work the people themselves were doing, and of the committees that were going to be set up to help them, but there was not a definite word as to what assistance would be forthcoming to any municipality. Then, just about a week ago today, he told us that his conscience was clear. No one had questioned the clarity of his conscience. No one gave a continental red cent as to the condition of his conscience. A statement like that shows how fatuity has been heaped upon futility by the provincial government throughout.

Today the people are still doing the job that has to be done. Our citizens, without leadership, have shown that inner strength which comes to free people in times like these. They went out and provided their own leadership to do the job that had to be done.

My words of criticism of the leadership in the province should not in any way lead hon. members to think that the need for help is not great indeed. There are those who have travelled with tragedy; who, as far as practical offers of help are concerned, are still doomed to dwell in despair. What is the reaction of the premier to this? Just a few days ago he broke his silence and said that, in cases of need, substantial financial help would be forthcoming. What he meant was that there would be a means test on misery; and that is precisely what is happening. Families have lost everything. There is a tension amongst those who know they have nothing left in the world. There is a tension amongst those who fear they may still lose everything they have; yet we have no leadership and no hope of leadership from the provincial government.

Now, what are the needs? Over 100,000 people have been evacuated. I hope many of them may be able to return to their homes very shortly. Many others will not be able to go back to their homes for several months. Here, then, is a terrific problem in social rehabilitation. How are those people to be kept away from Winnipeg? Who is going to pay the cost if they have to board in other areas or other cities? The Prime Minister says some 8,000 homes have been damaged. I do not think that is correct; I dispute it. The figure is over 12,000 or I miss my guess. Not only have homes been irretrievably damaged; whole city streets have gone. I know of one stretch in my own constituency, at Cathedral and Aikens, which has collapsed to a depth of four feet. Today the city is literally resting on water.

What is the condition of the homes? Take the place in which I used to live, for instance, where the water is right up to the ceiling. Obviously the plaster will be destroyed; and this applies to all homes of that kind. If there is stucco on the outside it will be ruined. If there is insulation it will have soaked up water right to the top storey. All that insulation will have to be torn out; and anyone who knows anything about houses will realize what a task that is. Flooring is completely sprung. Joists, sills and beams are swollen and twisted out of shape, because this water has not been there for only a few days; in many cases it has been there for three weeks, and may well be there for another three weeks. Electrical appliances and electrical wiring are ruined. All these things will have to be rebuilt. In effect new

houses will have to be built; and that will perhaps give members an indication of the task which faces us.

I maintain that the very least we can do in the face of this disaster, a disaster which perhaps the insurance companies may term an act of God, is that there should be complete rehabilitation for the victims of these floods. I doubt very much whether the generosity of either this government or the provincial government will permit that to be done, because the damage is extraordinary. I would hesitate to hazard a guess, but if I say the damage amounts to $100 million I am sure I shall not be far out. If we are not going to have complete rehabilitation, then I suggest as the very minimum that all those who receive salaries up to $300 a month be put back in their homes as they were before the flood and without cost to them; all those who receive salaries between $300 and $400 a month might perhaps get ninety per cent, and all those between $400 and $500 a month might perhaps receive eighty per cent. All this, of course, would be subject to any payments made by insurance companies.

I suggest further that those who have lost money due to the floods be permitted to charge those losses against income tax next year. There is a commission to assess the damages which has been asked to give this house accurate data. It will not be possible for any commission to give this house accurate data in time for us to consider the report before the house rises. The best it can do is to give us a progress report, but even then the commission will have to be arbitrary. How will it assess the damages? Will it go around to each house, in each locality, and say that so much damage has been suffered? How can the commission state the damage when the damage will not be seen for months yet? There is only one thing which can be done, and that is to make the houses livable, to refurnish them as far as possible so that the owners may live in them. After that, we can find out the cost.

Let me say that the construction industry and the electrical industry in Winnipeg are more than willing to co-operate with civic authorities. They have already indicated they are at the disposal of the municipality in the tremendous task of rebuilding homes. The electrical industry, for instance, has said that a meeting would be held to decide what charges should be made for each particular item of repair. Flat rates would be set up, and there would be no profiteering by that industry. The building industry has to be mobilized, but what about the contractor who has contracts to build other houses? I do not think this is the time for building new houses. There is too great a problem of rehabilitation, and in some way or other the contractors will have to be protected against suits for breach of contract if they do emergency work. There will be a great demand for skilled craftsmen, such as carpenters, electricians and plasterers. The Department of Labour must consider this problem. There are not enough craftsmen of these types in Manitoba, so we may need a reserve of skilled labour upon which we can draw.

Those are just some of the problems which face us. I could continue enumerating them almost indefinitely, as I am sure other members could, but time does not permit. There is a job of work to be done. I can assure members that every contribution they make to the fund which is being raised in the house is going to be needed desperately. Every contribution which the people of Canada can make is going to be equally needed. It is not right that the people themselves should have to suffer because of the indecision of their leaders. In the final analysis, the collective responsibility of our society, and the financial power of our society, lies in the parliament of Canada. Our people are stricken. As I said before they are not out, and they never will be out; but they are grievously hurt. The federal government must be more positive than it has been up to the present. It must be more generous than it has yet indicated it intends to be.

May I suggest that at the moment the most practical thing we could do here would be to establish a minimum grant in aid, an interim payment as it were, of about $10 million, which could be given to the provincial government, so that it, in turn, could hand the money over to the municipalities to enable them to assume the responsibility which the provincial government has given up by default.

Mr. J. A. Ross (Souris): Mr. Speaker, as has been pointed out by the previous speaker (Mr. Stewart) the Winnipeg *Tribune* of April 4 carried headlines to the effect that the Red river floods in North Dakota were becoming alarming. Everyone knows that the Red river flows north through Manitoba from North Dakota. It is quite some time since April 4, and I am told by very reliable authorities that the engineers in the United States, from both North Dakota and Minnesota, have shown fine co-operation with the authorities of Manitoba. I believe that to be true.

I wish to refer to a statement by the Minister of Justice (Mr. Garson) which is to be found on page 2478 of *Hansard* of

May 15. I am not finding fault with the statement, but I want to clarify it to some extent. It reads as follows:

> Right from May 6, the day on which Premier Campbell as head of the provincial authorities instructed Brigadier General Morton to take over, he and his staff have been performing a simply magnificent feat of organization and direction.

With that I agree. Now, to people of military service at least, that statement instructing Brigadier General Morton to take over should be clarified. He has only been given authority to fight the flood and to say what districts should be evacuated. That is as far as his authority extends. Then the Red Cross takes over, and it is in charge of the evacuation of the people. I want to say that organization has done a magnificent job. Brigadier Morton and his staff of some 4,000 service personnel and 50,000 civilian volunteers have done a splendid job, as has the Red Cross, the railway companies and their employees, the bus companies and their employees, and the Royal Canadian Mounted Police. Many other organizations have taken part.

I want to make that clear, because many people in Manitoba think that the military had complete authority from that date forward, and that is not so. In fact I shall give the house a concrete example. In Premier Campbell's own constituency there are two airports, one just outside Portage la Prairie, and one at Macdonald. The buildings at these airports I believe could accommodate a thousand people each, but no one had authority to use those buildings. I wanted to make that quite clear. It was referred to in the Winnipeg *Free Press* of May 12. The editorial reads as follows:

> Many people assume that Brigadier Morton, in the present situation, is the agent of the federal government and in charge of the fight against the flood. He is not either one or the other. He is the agent of the province which is paying the cost of the services of the military employed in the flood. Able and resourceful as he is showing himself to be, he has been given no power. He has no powers except over a limited number of military personnel and such results as he can secure by persuasion. The statements regarding the national emergency, made last Saturday and Monday, do not alter in any respect the responsibility of the provincial government.

Mr. Weir: Would my hon. friend permit me to clarify the matter to which he has referred? Representations were made to me with respect to making the airports around Portage la Prairie available, and I immediately took up the matter with the proper authorities. Incidentally, the ownership of the buildings is an involved matter, but I was finally assured by the Minister of National Defence, that the problem was within the control of the army officers in Winnipeg and the buildings would be available for use at their discretion if requested.

Mr. Ross (Souris): I thank the hon. member for that information, but as I have already pointed out, the army authorities have no authority beyond fighting the flood itself and stating what districts should be evacuated. The authority of the armed forces terminated at that point; therefore the responsibility was that of the Manitoba provincial government.

Mr. Weir: In that same connection I might say that the army authorities did go to inspect these buildings to which my hon. friend has referred in case they might be needed for greater service in evacuating people. The inspection was made and the whole set-up reviewed as one being available if required.

Mr. Ross (Souris): The parliamentary assistant to the Minister of Finance made a rather significant statement this afternoon on the orders of the day when he said that the Fraser river valley commission was appointed not so much to obtain information as to do a job, which they did. That seems to be the real difference between the handling of the Fraser river situation in 1948 and the Red river flood of today. There is a real difference. I pointed that out to the Prime Minister (Mr. St. Laurent) yesterday when I asked him whether he had any idea as to when this commission might report. I also pointed out to him how difficult it might be for him to answer the question. Apparently this commission can get information only and report back, as I understand it. I may be wrong.

I asked further whether there had been a request from the Manitoba government for an interim grant, as was done for the British Columbia government in the Fraser river flood in 1948, and the Prime Minister said, not to his knowledge. I am surprised there has not been a request of that kind from the provincial government.

If one has not seen the situation out there, as has the Minister of Justice (Mr. Garson), the Prime Minister, and I think all the members from Manitoba, one cannot appreciate it. I was there on the first day of the evacuation to any great extent. On the night before I was there and on that day they moved out over 15,000 people. I talked with railway people who had not slept for forty-eight hours. Unless you saw these mothers and little children gathered around them with no means left, you cannot appreciate it. I went through one of the special trains and I interviewed many people who had not a dollar of

their own money with them. The Red Cross had looked after the transportation, but they were not sure where they were going.

Apart from shells bursting over a city, I have never seen anything that looked more like the picture I witnessed during the first war in France and Belgium when the evacuation from the front lines area was taking place. That is how it impressed me at that time. These people have gone through a great deal. Since then—I am not sure of the figures—in the neighbourhood of 100,000 people have been evacuated from Winnipeg. The people, who out of the generosity of their hearts have taken these families into their homes, and the municipal corporations, are responsible for them.

Yesterday I received a letter from the mayor of a town in my constituency which is at the far end of the province from Winnipeg. They are happy to be looking after these people, and he told me of their problems. He said that the town corporation and the rural municipalities are financing the entire business without, so far, a promise of reimbursement from anybody. He was not complaining about it. He was writing about some other matters, and happened to point out the situation.

As a citizen of Manitoba I am very sorry to say that the only organization that has failed, and has failed miserably to date, has been our provincial government and our Premier Campbell. I do not think people can misconstrue my making that statement, because I have been a supporter of the coalition government. I voted for one of their candidates last fall. I am ashamed of the situation today. I have been in and out of Winnipeg several times in the past few days and have seen this matter from several angles, and what I say is my candid opinion. I want to say in all fairness that some departments of the government and many government employees have done and are doing a magnificent job with respect to the disastrous Manitoba Red river flood problem. I think I should say that on behalf of these people.

An hon. Member: The department of public works?

Mr. Ross (Souris): I am not mentioning any names. I want to say that they too did a good job. I did not see the minister of public works when I was in Winnipeg, but I have seen his staff. I can tell you that on one Sunday the entire staff worked from daylight to dark. I do not know where the minister was. I presume he was busy in cabinet council. As I say, I did not see him. The deputy minister of public works and his staff worked from daylight to dark and did a magnificent job, as did other members of the provincial government. I saw that myself.

I want to say something about the statement of Mayor Garnet Coulter*, whom I have known for many years. In fact when I had the honour of being president of the Manitoba union of municipalities he was then an alderman in the city of Winnipeg and a member of the executive serving with me. I always considered him a mild-mannered, even-tempered, careful public official, careful about his statements. I think anybody else who has known him will bear me out in that statement. When I read in the newspapers that he was reported as saying—and as I listened to the report over the air—that Premier Campbell was guilty of criminal negligence, I was surprised. I was surprised at that language coming from him, but that is how serious the matter has become.

Many of us from Manitoba used to know Mrs. McQueen and her husband, who was killed in an air crash going west doing war service work. Mrs. McQueen is now doing social service work in Manitoba. According to the press, she used the very same terms. This is a serious business. Both of these public officials stated that Premier Campbell and his government were guilty of causing undue mental suffering to many of these people. As I say, I am sorry about that whole situation.

I said something about the municipalities taking care of these people. On the radio farmers for forty or fifty miles around Winnipeg who had farm tractors that were useful, large trucks and all that kind of thing, were appealed to. They were asked to come in and use that equipment in Winnipeg. I witnessed some of these huge trucks getting into difficulties in the subway going across to St. Boniface. You have all heard and read much of the Norwood dike. I want to tell you of the great piece of human effort that was put into that dike. It has been nothing short of a miracle that it has stood up and that there has been no great loss of life. But I watched those huge trucks going into the subway in several feet of water. The motors would stall, and a caterpillar tractor would be hitched onto them in an endeavour to pull them out and the chain would snap. Any man who is familiar with machinery or is of a mechanical turn of mind knows what damage that would do to those motors and to that equipment. These farmers have been doing that kind of work, supplying their own gas and fuel and that type of equipment without any promise of satisfactory reimbursement. In fact those from Manitoba will bear this in mind. The

*See also page 2850.

city of St. Boniface has gone through financial difficulties, and they are not yet in a position to make expenditures of that kind freely. They are making a great comeback; it is a great city, but they are in an embarrassing financial situation right now. I just give that as a concrete example of the difficulties.

There is a great deal of that kind of work being done by private individuals, and some municipalities are not even in shape to reimburse those people who should at least have some definite promise, because it is just about two months since the first warning was given; and even the rural people, whom we are now forgetting to some extent because of the great disaster in the city of Winnipeg, were first to be overrun in this flood. Their homes were flooded, and many of them were destroyed. Some of their stock were lost and they went through terrible difficulties. That is now quite a while ago.

I do not want to repeat many of the arguments that have been made by the previous speakers. I recently received a letter from the Winnipeg chamber of commerce, dated May 15, 1950, which reads as follows:

> At an emergent meeting of the executive of the Winnipeg chamber of commerce held Saturday morning, the following resolution was unanimously adopted:
>
> The chamber is strongly of the opinion that capital costs and/or restoration and reconstruction of damage occasioned by the flood are the sole responsibility of senior governments and that the chamber make strong representation to the authorities concerned in support of this position. Further, that funds supplied by these governments be administered by a strong independent commission appointed jointly by the senior governments.

With that resolution I agree. That is the least that can be expected.

Then, with respect to the campaign for funds for Manitoba flood relief, in my opinion that certainly deserves the wholehearted support of every citizen and every organization throughout the nation. One may hear the argument that this was advertising on the part of the T. Eaton Company. But, as was pointed out by the hon. member for Vancouver-Quadra (Mr. Green) in connection with the great contributions made by people throughout this nation to the Fraser valley flood relief, I can tell you that if some people had been living in Manitoba, where I was, last year, and listened to some ministers of this government stating that you could not trust a past head of an Ontario government, and other eastern people, then this contribution by this great company which originated in the east is very heartening.

It is heartening to know that the T. Eaton Company and other companies have done what they have. One thinks of the employees of the T. Eaton Company, which originated in eastern Canada, raising over $153,000, and this sum was matched dollar for dollar by the company executive, making a total of $307,000 from that organization. Surely that gives one fresh faith in humanity. That is being done not only within this nation, but in other nations throughout the world.

I hold in my hand a quotation which states:

> To pity distress is but human; to relieve it is God-like.

So long ago wrote the American philosopher Horace Mann as he meditated on the spontaneous kindness of warm-hearted people of differing faiths and beliefs as they instinctively rushed to aid their fellow human beings in great distress.

The people of southern Manitoba have suffered a catastrophe from flood unequalled in the history of Canada. All those in a rural area containing twelve towns and villages, seventy miles long and thirty miles wide, have been obliged suddenly to leave their farms and homes. Everything they possessed is under water, much of their belongings and a good deal of their livestock and seed is destroyed. Tens of thousands of city people in Winnipeg likewise have had to flee from their homes, leaving behind clothing, household equipment, furniture and possessions of all kinds.

These thousands of refugees—men, women and children alike—now sit sad and bewildered in strange places, far from their once happy farms and homes, wondering what the future holds for them.

But their hearts will be gladdened, their spirits uplifted and their hopes renewed as they hear the tidings that their warm-hearted fellow citizens are donating generously to the Manitoba flood relief fund. Contributions made to this most worthy fund will relieve human distress and, more, will ennoble the giver.

I should like to refer to a question asked on the orders of the day. I did realize that the Minister of National Revenue (Mr. McCann) announced that contributions of this nature would be exempt from taxation. I believe that under the act goes to the extent of five per cent for corporations and ten per cent for individuals of income. I know personally of individuals who have already obligated themselves to charitable institutions to the extent of ten per cent of their incomes. Some people did that for their churches alone.

Then, in respect of corporations, it has been pointed out by an organization in Toronto that if full exemptions were granted in respect of contributions, throughout the province of

Ontario alone one-half the proposed fund of $10 million would be raised. They point out that they believe those corporations would raise $5 million in that province alone. Surely this should be given serious consideration. I know of individuals who, as I say, have obligated themselves to the extent of ten per cent to their churches alone. There are branches of the Legion, and many other charitable institutions to which people make donations each year. If they wish to increase those amounts, surely they should be granted exemptions above the ten per cent for individuals and the five per cent for corporations.

I do not know how to go about it, but I would like to be able to bring some pressure to bear on our provincial government, to give a greater lead for the benefit of these poor, suffering human beings in Manitoba. I have talked with people who have put all their investments into their homes in Winnipeg. In earlier statements I have referred more particularly to rural areas. But those people in Winnipeg have been paying for their homes on the instalment plan, and buying furniture in the same way, in many cases to the extent that they did not have a dollar with which to get out of the flooded area. Surely the senior governments will give these people a greater lead than they have yet seen.

I have seen some terribly disappointed people out there. And while the Minister of Justice (Mr. Garson) is sitting here I wish to say this, that I have heard many people in Winnipeg state publicly that they think the premier of Manitoba has depended too much for advice on the ex-premier of Manitoba, now the minister from Manitoba in this government. If that is not right, then I hope the Minister of Justice will make it clear, because one may take that from his statement which can be read in *Hansard* for May 1.

As I say, that is the prevalent feeling among those people. Many thousands are in a troubled state of mind. I hope that as members of this House of Commons we can put pressure on the provincial government in Manitoba to give greater leadership to the people of that province who are greatly distressed as a result of this most terrible catastrophe that has befallen any part of this nation.

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, it certainly had not been my intention to take part in this debate. I feel sure that if the level which was set by the admirable statement by the leader of the opposition (Mr. Drew) had been maintained, I never should have taken part in it. Let me pay my small tribute to the leader of the opposition:

there have been very few occasions where in any gathering I have heard a statement that was more appropriate to the occasion than the one he made in this same connection yesterday.

It is therefore most regrettable that the hon. member who has just taken his seat has not seen fit to follow the example of his leader.

Mr. Ross (Souris): My leader has not been out on the ground there yet.

Mr. Garson: I would repeat my statement whether my hon. friend the leader of the opposition had been on the ground or not because, if I may be permitted to say so, I have sufficient confidence in the leader of the opposition to believe that if he had been there he would still act in the same way he did yesterday.

May I make this clear, that I speak today in this House of Commons with a strong bias. Members of the present Manitoba government, both Liberal and Conservative, were personal friends and colleagues of mine over a considerable period of years. During that time I had never associated with men of greater loyalty, better judgment or greater experience in public life than they displayed. The very Premier Campbell, whom my hon. friend from Souris (Mr. Ross) now traduces, is a man who went into the legislature in 1922 and has continued to enjoy the confidence of his constituents, and whose government has continued to enjoy the confidence of the people of Manitoba during the intervening twenty-eight years.

Speaking with that bias, and speaking in my capacity as a private member of this House of Commons—not as a member of the government—I think it is very desirable that there should be placed upon the record certain facts if for no other reason than that the position of Manitoba shall not be misrepresented in respect of the appeal for funds which is being made.

I am free to confess that, although these gentlemen are friends of mine, in one important respect they have been, in my judgment, derelict.

In this modern age when industry and government pay a good deal of attention to public relations, and for the most part have their public relations in the hands of professionals, my friends and former colleagues in Manitoba were so busy doing a job that I regret to say they seriously neglected to tell the people of Manitoba and the world of the job they were doing. Having regard to the fact that in a disaster of this sort the maintenance of public confidence is an important element in the handling

of the situation I would be free to confess that in that regard they are subject to criticism.

In respect of that shortcoming, they provided their own penalty of being seriously misjudged by a number of sincere people, two of whom we have heard this afternoon in this debate. For in spite of the fact that I disagree with both hon. gentlemen in some matters I believe they are fair-minded and would not be disposed to criticize too severely if they were convinced there was no proper ground for doing so.

I intend to relate certain facts this afternoon, but I do not think I could achieve any greater over-all effect upon the minds of my listeners than by describing a short episode which took place when the Prime Minister (Mr. St. Laurent) met the reeves and mayors and representatives of the municipalities concerned in the Fort Garry hotel in Winnipeg last Sunday night.

Because of the travel over water and land that was necessary many of the reeves in the rural areas found it impossible to be present, but there was at least one reeve from a rural area present. I had rather gained the impression from this storm of criticism which appeared in certain newspapers and on the part of certain members of the House of Commons that when this meeting with the representatives of the municipalities took place there would be more protest and criticism against both governments, in particular against the provincial government which was represented at the meeting by Premier Campbell himself.

When his turn came to report, this rural reeve said, "We have no complaint to make. We were advised six weeks ago by a representative of the provincial government in plenty of time to make all necessary preparations for the flood. Of course no kind of preparation would enable us to cope with a flood of this size. But we took every step that was possible and were as well prepared as we could be for the flood when it did come." He then went on to relate what assistance they had been receiving, and I intend to lay the statistics with regard to this assistance before the house, and indicated that they wanted to carry on on that basis.

There was none of the deep anxiety and apprehension voiced by the hon. member for Winnipeg North (Mr. Stewart), nor was there any of the criticism that has been voiced by the hon. member for Souris (Mr. Ross). These people were right in the middle of the flood and were responsible to the municipal citizens. All this bears out a report which I placed on the record on one of the previous occasions when I addressed the house.

Mr. Ross (Souris): To what official is the minister referring?

Mr. Garson: It was Reeve Arthur Beaubien of St. Jean, whom my hon. friend knows personally and who is a very good man.

Mr. Ross (Souris): He is.

Mr. Garson: Of course he is. This experience bears out what I told the members of this house on a previous occasion when I voiced my admiration for what the provincial government had done.

May I say to the hon. member for Souris, if he thinks I am trying to take some credit for having advised them, that I must expressly disclaim it because being a reasonably modest man I do not undertake to advise people how to cope with a disaster which is taking place 1,500 miles away when they are in the midst of it and I am on the outside.

The report I previously put on the record was made in writing by John Conner, head of the livestock branch of the department of agriculture. If I am not mistaken, the hon. member for Souris said that he is a very fine man.

Mr. Ross (Souris): He certainly is. I know him quite well.

Mr. Garson: Hon. members will perhaps recall that the first report was made on April 28 after he had returned from a trip through this area. He stated that he had gone out to warn the people that a flood was coming. Reeve Beaubien told us that the provincial authorities had warned him, had told him that the flood would be two feet higher than it was in 1948, and that the steps they would have to take to meet the situation would have to take that additional height into account. Conner's report was to the effect that many farmers, having so recently suffered the 1948 flood, had taken steps already before he warned them to evacuate their animals, their seed, their feed and the like.

It certainly does not look as though the government were lacking in foresight. It does not look as though they were, as I understood the hon. member for Souris to imply, paying no attention to the views of United States engineers. But they did not have to pay any attention to the views of United States engineers. At a critical stage of the flood they brought up a man—

Mr. Ross (Souris): I gave credit to certain departments and to certain government officials for the splendid work that was being done.

Mr. Garson: I shall deal with the departments to which my hon. friend did not give credit. By a most extraordinary coincidence the department to which he gave credit, public works, happens to be headed by a Conservative minister.

Mr. Ross (Souris): The minister has referred to Mr. Conner, who is a member of the department of agriculture in the provincial government. He is one of the finest officials in the government.

Mr. Garson: My hon. friend and I can agree that Mr. Conner is a fine man.

Mr. Bryce: I will agree with that also.

Mr. Garson: As I was saying, they did not need to have the advice of United States engineers because when they brought a United States engineer up to Manitoba at the request of certain people who wanted to be reassured one statement that he made was this: "I wonder why you went to the trouble of bringing me up here from the Twin Cities when you have here in the person of Don Stephens, deputy minister of mines and resources, a man who knows more about the Red river than I." I believe the hon. member for Souris will agree with that.

Mr. Ross (Souris): I respect him as an engineer.

Mr. Garson: That was the basis of the information that they had; that was the basis of the action that was taken. At an early stage in the proceedings the government of Manitoba entered into an agreement. This was a long while before Brigadier Morton was put in charge; that came later. They entered into an agreement in case the flood, which it was anticipated would be two feet higher than the 1948 level, by some unforeseen circumstance rose to a still greater height, to provide that the army would in the meanwhile have some legal status and be ready to take over at a moment's notice. The prognostication of the engineers proved to be remarkably accurate. The flood rose to about that level.

I remember the circumstances very well because I was in the midst of them a little over two weeks ago when I visited Winnipeg over that week end. I am sure that those who have been back to their constituencies will bear me out that for a couple of days there were heavy rains throughout the whole of the Red river valley.

Mr. Ross (Souris): And snow.

Mr. Garson: The expert brought from the United States is authority for the statement that those rains, falling on the various tributary streams in the Red river valley, accounted for not less than an increase of four feet in the level of the river. This created in a matter of a day, in fact in a matter of hours, an emergency of the direst character. On Friday or Saturday night—I am not sure which—after I had had a pretty strenuous day spent in part on the river in the Kingston Crescent area, I was on the point of going to bed when I received an emergency telephone call from Premier Campbell asking me to attend a meeting of all the city and municipal authorities, engineers, officials of the health department, various other civic and provincial officials, the army, the Royal Canadian Mounted Police, the Red Cross and the like to deal with this emergency piled upon an emergency created by the heavy rainfall on top of the spring flood.

I cannot recall whether I indicated this before, but one of the first steps that had to be taken after midnight that night was to evacuate the tuberculosis and contagious diseases hospitals operated by the city of Winnipeg in the Riverview area. Because of the great rainfall that was taking place the dikes in that area were said by the engineers to be in such a condition that they could not guarantee they would hold until morning. If the leadership and the provision for the immediate future to which my hon. friend has referred was one-quarter as bad as he painted it, they might have had casualties in evacuating those hospitals. In a matter of minutes almost they had to evacuate people suffering from tuberculosis and contagious diseases, and transfer them to another hospital where provision for quarantine had to be made. If the government had not three weeks before, with the assistance and co-operation of the Red Cross, made all the necessary arrangements for the evacuation of those hospitals, it would have been impossible to carry it out that night.

Mr. Diefenbaker: To which government does the minister refer?

Mr. Garson: I am referring to the provincial government. It would have been impossible to accomplish this evacuation if the provincial authorities were as bad as the hon. member for Souris (Mr. Ross) says they were. Practically out of a blue sky we were told by these highly competent engineers—

Mr. Ross (Souris): Which department would that be?

Mr. Garson: The engineers?

Mr. Ross (Souris): No, the one concerned with the evacuation.

Mr. Garson: That would be the health department.

Mr. Ross (Souris): I give high credit to the department and its minister right now, and he is a Liberal too.

Mr. Garson: I am very glad to hear that. We may gradually get down to the things my hon. friend thinks were not right. It appears to me that he is searching around for a scapegoat upon whom to put all the sins of Israel.

Mr. Ross (Souris): No, I am not.

Mr. Garson: We can be sure the scapegoat will not be a Conservative. To give hon. members some conception of how urgent the situation was, the meeting lasted until about half past two in the morning. At that meeting Brigadier Morton and the army were put in charge of the whole situation. When the hon. member for Souris, and to a lesser extent the hon. member for Winnipeg North (Mr. Stewart), although I am not quite sure that I understood the meaning of all he said because although I am a Scotsman myself—

Mr. Ross (Souris): You are not Scotch enough.

Mr. Stewart (Winnipeg North): May I ask on what point the minister is not clear?

Mr. Garson: There was the odd word or phrase I did not get the meaning of, and therefore I am refraining from quoting my hon. friend to any great extent.

Mr. Stewart (Winnipeg North): What I said was that the army did not have effective control.

Mr. Garson: I am glad to have that interjection because the position the hon. member takes is pretty much the same as that of the hon. member for Souris.

Mr. Ross (Souris): It is true, isn't it?

Mr. Garson: I am coming to that very point, and this is a good introduction to my remarks. I speak with a certain amount of personal knowledge because I was present and took some part in the meeting which decided to put the army in charge. The Red Cross and all these other organizations were represented there and, believe me, Mr. Speaker, we did not split any legal hairs or engage in legal technicalities as to the precise legal status of the army. Everyone present at the meeting agreed to have Brigadier Morton put in charge. They wanted to have one man to boss the show and they said, "If you come in we will do what you tell us." He said, "I am quite willing to tell you what to do but I want your advice. You advise me as to the decisions I have to make when I order you and we shall all get along splendidly together." And that is how they have got along.

I am sure that the hon. member for Winnipeg North and the hon. member for Souris will not say that the achievements of the people of Manitoba and of Winnipeg during the emergency were in any way inconsiderable. They have been great achievements. For example, miles of the most formidable dikes were constructed. With all deference to the arguments of the hon. member for Souris and the hon. member for Winnipeg North, I do not think that such achievements would have been possible if the degree of disorganization existed which it has been their purpose to urge was the case in their arguments this afternoon.

The fact of the matter is that the organizations represented at the meeting that night either expressly or by clearly implicit terms pledged the co-operation which they have given in full measure ever since. Their co-operation, together with the support of the people of that community given without stint, have made possible their achievements in fighting the flood.

The provincial government is supposed not to have done anything at all to help the municipalities. I will not get into any argument over this. I am now going to talk about the department of public works, of which my hon. friend's friend is the head. They gave every support they could; sandbags, sand, pumps, motors of various types and so on. The province supplied these materials, largely for the municipalities, at a total cost to date of some $1,750,000. I do not know whether my hon. friend knew that was the case when he was criticizing the government.

Mr. Ross (Souris): I certainly did. I got it firsthand on Sunday in Winnipeg, when you were in the same building.

Mr. Garson: Then if my hon. friend was trying to give a balanced, careful, accurate representation of the situation to his fellow members of the house, I am at a loss to understand why he did not tell us that.

Mr. Ross (Souris): I was talking about the head and most of the members of the government. I give high praise to the department of health and its officials.

Mr. Garson: The government provided well on to five million sandbags, and they had to be handled three times. That handling was largely carried on by the provincial department of public works. Outside of the cities of Winnipeg and St. Boniface and possibly some of the suburbs, that department was dealing with municipalities which had no engineering staffs capable of coping with a disaster of this magnitude, and it provided all

the engineering advice for all the municipalities involved in the disaster. It brought from various parts of Manitoba all its road building and other grading machinery, and put it on the dikes to meet the emergency.

When I say this I do not mean to suggest for a moment that there is anything extraordinary about it. That is what they did. That is what they should have done, but having done these things it does not seem fair that they should be accused of having been deficient and inadequate in their provisions to meet this situation.

Mr. Stewart (Winnipeg North): Can the minister tell us how many sandbags were made available? I said last evening that in West Kildonan there were none, and the municipality could not afford to buy them. I believe that is so.

Mr. Garson: In speaking of some particular area my hon. friend may be quite right. I have already given the number of sandbags made available through this source, which was close to five million.

Mr. Ross (Souris): Over four and a half million, I am told.

Mr. Garson: My hon. friend is checking me up.

Mr. Ross (Souris): I was around there.

Mr. Garson: I know, and my hon. friend is quite right; the figure is between four and a half and five million. Manitoba is not a large province. The public works department has not a large staff, but of that staff they had an average of ninety men engaged continuously in this flood work. In the mines and resources branch they had over ninety men working full-time on the floods. Of the equipment in that other branch, which is not large, they had over forty pieces of automotive equipment working, four yawl boats, a large number of canoes, outboard motors and seventeen pumps. All the equipment they could lay hands on was thrown into this emergency.

Then I think perhaps the department of agriculture is another department of which the hon. member for Souris approves. Already they have distributed 700 tons of hay, or about sixty carloads, for feeding stranded and evacuated animals; and of their small staff they have had twenty men working steadily from the beginning of this disaster. Through the efforts of the staff of that department, including the same John Conner whom my hon. friend admires, they have evacuated six thousand head of livestock, and have co-operated in the evacuation by private efforts of another three thousand head. It was they who made the arrangements for pasture and care; because, as in the case of human beings, it is one thing to take them from a place of danger and another thing to make proper provision for them in a place of safety. I think I am safe in saying that thanks to the recollection the farmers had of the 1948 flood, and thanks to the timely and adequate warnings given by the provincial government, the total number of livestock evacuated, some nine thousand, was very much larger than the total number lost in the floods. I think my hon. friend will agree with that.

Mr. Ross (Souris): Certainly.

Mr. Garson: They have also made other arrangements. They have set up a seed grain committee to make sure that seed and feed of all kinds are available, with particular reference to coarse grains, the only crop that can be put in at this late date with any hope of success. They have arranged to have a supply of transplants of all the standard vegetables ready for the market gardeners. A farm machinery director and committee have been set up to arrange for the reconditioning of the tractors, trucks and other farm machinery damaged by the flood.

Mr. Ross (Souris): The good old Massey-Harris Company.

Mr. Garson: Perhaps, though some people think highly of International Harvester.

Mr. Ross (Souris): I use all International Harvester machines myself, but I give thanks to Massey-Harris for doing this.

Mr. Garson: The provincial department of agriculture is taking the lead, along with the local people, in arranging co-operative feeding assistance from the area outside the flooded portion, and arrangements are being made now for the return of the livestock from the places to which it has been evacuated.

Strangely enough the next department I come to is another that my hon. friend admires; that is the department of health and public welfare. We have not struck a single department yet that he does not admire; but when you add together all the parts he does admire they make up a whole which he does not admire. In the health department the organization of health facilities to meet flood conditions was undertaken six weeks ago, coincident with the advice from the engineers and the allocation at that time of extra staff to the threatened areas. It was only by reason of those provisions that when we had to evacuate people from the tuberculosis and contagious diseases hospitals, following two days of rain, it was

possible to do so safely and avoid the worst kind of disaster. When that meeting broke up at half-past two in the morning it had been arranged that the *Free Press* siren was to sound a warning which would indicate that a dike had broken. Having a few things to clean up, it was three o'clock when we walked out of the office where the meeting had taken place, and the first siren had gone before we left. We were praying that it would not be the siren for the Riverview dike. All those people were evacuated, involving the moving of seven hundred patients into Saskatchewan, the province to which most of them were taken.

Mr. Ross (Souris): A great airlift job was done that Sunday.

Mr. Garson: That is right; it was a great airlift job, which would have been impossible if proper provisions had not been made in advance to take care of it. One of the things that they had to take care of was the obvious need for drinking water throughout the flooded area. It had to be moved in by tank car. Provision for that was made by the department of health and public welfare. Then, free vaccine had to be provided against typhoid for 125,000 people, and a reserve sufficient for 60,000 people had to be built up. In meeting this need all the supplies of vaccine in Canada were exhausted, and it had to be flown in from places as far away as New York city. Plans have already been organized and worked out for health control at municipal level during the return and rehabilitation of the evacuees. I am informed that at every place in the flooded area where there is what they term a beachhead, there is a representative of the health and welfare department on hand to take care of the people as they move back.

The member for Winnipeg North (Mr. Stewart) was rather harsh in his criticism of the two governments for not having used this magic term "national emergency".

Mr. Stewart (Winnipeg North): My complaint was that it had been used in the Fraser valley flood, but not in this case.

Mr. Garson: Yes, that is right. I should like to think, Mr. Speaker, that some magic existed in these words, but I must confess I have not been able to find any support for that idea. In these cases it seems to me that the principle is quite clear. If I am a farmer and suffer from a hail storm when I have not provided hail insurance, that is my misfortune. If the disaster is municipality wide, there is some foundation for moving—it is largely on the basis of public opinion—the municipal corporation to make some provision at the expense of the general body of taxpayers for those who have suffered the misfortune. When the disaster gets beyond municipal competence, then it is necessary for the province to step in to aid the municipality. When it gets beyond the competence of the provincial government, which in the case of both the Fraser river valley and the Red river valley flood was the set of circumstances with which we were faced, then the federal government has to step in to help the provincial government and the municipalities. It is done in somewhat the same way, although this is not perhaps a good analogy, as the matter of relief during the thirties. I wish to make it clear at once that I do not think that is the proper way to handle relief. In respect, however, of matters which in the first instance come under municipal and provincial authority, that is the method of handling them, as my hon. friend knows. It has always been done in that way. It is the facts of the case, rather than the magic of the words used, which determine how the cost is to be divided between the governments.

The thing to be done in the present case is to ascertain the facts, and then on the basis of the facts to make claims. But in saying that I admit, and that is one of my criticisms of the Manitoba government, the psychological value of using the term "national disaster". It makes an appropriate concession to a state of mind, but so far as the final disposition of the matter is concerned nothing turns on the use of the term.

Mr. Diefenbaker: You used the words "national disaster" in the order in council relating to the Fraser river disaster, and you omitted those words from the order in council respecting the Red river valley disaster.

Mr. Garson: Yes, that is correct; but there are reasons for that. I believe that in the British Columbia case the term had been used in the negotiations, and carried over into the order in council. The actual basis is, as I am sure my friend agrees from his knowledge of the principles that are involved, where the disaster goes beyond the financial or administrative competence of the province, the federal government, having a responsibility to the same body of citizens, has to step in. In this case it was beyond not only the financial but the administrative competence of the Manitoba government. No provincial government, no matter how efficient and capable, has a staff available to deal with a disaster of this sort. All the existing staff of that government are doing jobs they are supposed to do, and the army is the obvious organization to take care of the matter.

Mr. Diefenbaker: Will the minister permit a question, in view of his most interesting

recital and his statement that the omission of the words "national emergency" from the Red river order in council has no significance. This simple question will remove any doubt as to his meaning. In effect the federal government paid 81 per cent of the cost of rehabilitating the property that was damaged in the Fraser flood, and building permanent dikes to prevent a recurrence. Is the same course going to be followed in the Red river valley?

Mr. Garson: I think if my hon. friend reflected upon that for a moment he would not ask the question. Precisely the same course cannot be followed because there are no dikes in Manitoba comparable to those in British Columbia. As my hon. friend knows, in British Columbia the larger portion of the federal contribution was to rebuild an elaborate set of dikes along the Fraser river. What has been said in the present case is that the principle of the Fraser valley settlement will be applied—to what?

Mr. Diefenbaker: To what extent, that is all I want to know.

Mr. Garson: There is no limitation upon the extent. I am sure the hon. member will agree with me when I say that, as a lawyer, he knows you apply principles to—what? You apply principles to facts, and it is not yet certain that the facts of the Manitoba disaster have all taken place as yet. If we have another two days of rain, as we had a while ago, we shall have more facts to deal with than we have right now.

Mr. Diefenbaker: It will become a greater national emergency, that is all.

Mr. Garson: Right. Then when those facts have been ascertained, the two governments will get together and apply the principle of the Fraser valley settlement. This government of Canada has not arrogated to itself the responsibility or privilege of finding all the facts. A fact-finding board has been set up by the two governments for this purpose. I think I should say a word or two about it. I believe the member for Souris (Mr. Ross) is under a misapprehension, as is the member for Winnipeg North (Mr. Stewart). There is this difference between the Fraser river valley board and the one that has been set up in Manitoba. The one set up in Manitoba went into a situation that was already under the direction of the army, the Red Cross, the government and so on. The administrative end of it had already been taken care of. One of the first jobs of the Fraser valley board was to start this administration. The sole task of the Manitoba two-man commission will be to ascertain, as quickly as possible, all the facts and report them as promptly as possible to the two governments.

[Mr. Diefenbaker.]

Mr. Diefenbaker: What do you mean by "the facts"?

Mr. Garson: Well—

Mr. Diefenbaker: The loss?

Mr. Garson: Yes.

Mr. Diefenbaker: May I ask this question? It is such a simple thing. If responsibility has been accepted by the dominion government, does it intend to do what it did in British Columbia, namely, accept 75 per cent of the financial loss, the 25 per cent to be allocated as between the province and the municipalities?

Mr. Garson: I do not think I should spend too much time discussing this Fraser river valley thing with my hon. friend. He has not the facts straight.

Mr. Diefenbaker: Oh, yes. I have the *Free Press* here. I was reading it a moment ago.

Mr. Garson: I am not speaking from the *Free Press*. I am speaking from the documents themselves. The settlement in connection with the Fraser river, as my hon. friend knows, consisted of two things: one, the payment of 75 per cent of the cost of rebuilding the dikes, and two, a lump sum settlement of $5 million which was based upon a set of facts.

Mr. Diefenbaker: That is right.

Mr. Garson: In this case, when the facts are known the settlement will be determined, and the settlement, having been determined, will be administered by the province, as it was in the case of British Columbia, and as it must be in all these cases.

Mr. Diefenbaker: Therefore you have not determined whether it is going to be 75 per cent or less that the government of Canada is going to assume?

Mr. Garson: Well—

Mr. Stewart (Winnipeg North): It may have to be more.

Mr. Garson: There is your answer.

Mr. Diefenbaker: At least 75 per cent. Do you accept that?

Mr. Stewart (Yorkton): When is the river going down?

Mr. Garson: There was some criticism by the hon. member for Winnipeg North of the statement which was issued in Winnipeg by Premier Campbell saying that compensation for property loss would be paid on the basis of need. As I have said to the hon. member for Souris (Mr. Ross) before, I wish to

disclaim credit for any of this advice to Premier Campbell that he was attributing to me.

Mr. Ross (Souris): I was passing on other comments.

Mr. Garson: I see. But I think probably Premier Campbell may have had some other advisers. He had a delegation from the C.C.F. party in Winnipeg, and they brought in a memorandum which was signed by the hon. member for Winnipeg North, the hon. member for Selkirk (Mr. Bryce) and many of the local representatives. This is what it said. I am not implying any criticism; it is an intelligent and proper suggestion.

Mr. Stewart (Winnipeg North): The minister will remember that in my speech I defined the word "need."

Mr. Garson: The hon. member may have, but I am going to read the statement he signed and it will speak for itself. The statement reads:

> As members of parliament and of the Manitoba legislature, we strongly urge the government of Canada and the government of Manitoba to make an immediate and definite statement that proper compensation will be provided individual farmers, home owners and tenants of the Red river valley and of greater Winnipeg, for personal and property losses that they have suffered in this disastrous flood. It is our firm conviction that the two governments, federal and provincial, should state now that financial assistance of this kind will be provided. Assurance of financial aid has been given in general terms but it is extremely important that it be made clear immediately that such financial aid will include compensation for the individuals who need it.

When the hon. member for Souris (Mr. Ross) is casting around to find out who is the adviser to Mr. Campbell may I say that he will find a very good example right in the document I am reading. That is the basis of need, if it means anything at all. Then it goes on:

> Thousands of people have lost heavily . . .

Would the house like me to read it all?

Mr. Coldwell: You had better put it all on.

Mr. Garson: Yes. I continue:

> Thousands of people have lost heavily and many have lost everything and will find it impossible to re-establish themselves without assistance. Our pledge to the people of Manitoba is to do everything within our power to persuade the two governments to take such action. Next to the immediate emergency, this matter of compensation for individual victims of the flood, so far as we are concerned, has top priority.

May I suggest that that is a very clear indication that the compensation should be made on the basis of need.

My only reason for intervening in this debate was that, in line with the admirable statement made by the leader of the opposition (Mr. Drew), I thought if we were to have any attacks or criticisms on any person connected with this matter, it is only fair that if we are to have one side of the story we should have the other side. I am sure the hon. member for Souris will agree with that.

Mr. Ross (Souris): Always.

Mr. Garson: I think he well knows that I should place against this rather harsh criticism that he has made nothing more than just the statement of the facts, and it is with that unvarnished statement of facts that I close my remarks.

Mr. William Bryce (Selkirk): I was not here last week to take part in the debate that went on in connection with the floods. I was out in Winnipeg getting firsthand information. When I landed in Winnipeg, along with the hon. member for Winnipeg South (Mr. Mutch), I was alarmed when I saw the constituency of the hon. member for St. Boniface (Mr. Viau). It was practically all water. It was the most terrible thing that I had ever seen. After having lived there for thirty years, and seeing it that morning, I thought it was terrible. We would need somebody with the ability and eloquence of Mr. Brockington or of John Fisher to describe it adequately. It is too bad that either of those gentlemen with no axe to grind could not have visited the area and written a story. It would give the rest of Canada a picture of what has taken place. It would bring it home to them perhaps better than anything else.

I had the opportunity of meeting the mayor of Winnipeg, the mayor of St. Boniface and the reeves of the different municipalities around Winnipeg, some of them from my own constituency, and some of them from outside my own constituency. Naturally I confined most of my activities to my own constituency along the Assiniboine river, St. James and West Kildonan.

I have heard different hon. gentlemen speak about the number of houses that have been damaged and we get different figures. I do not think I should attempt to say how many because the area is so great. When you look at the constituency of the hon. member for Provencher (Mr. Jutras) from the air, there is nothing but water. Everything is ruined there. It will not be possible for these farmers to have a crop this year. Not only will they lose their buildings; they have lost their livestock. They have lost their feed, and they will lose a year's work as well. The men in the city are losing their work. Of course they are still working because they are on the dikes.

Mr. Coldwell: They are working for nothing.

Mr. Bryce: They are working for nothing, but they are working to keep Winnipeg on the map. I tried to estimate the number of homes that were damaged between that part of the constituency of the hon. member for Winnipeg North (Mr. Stewart), that is on Scotia street, and along West Kildonan, in my own constituency. I think I would be quite safe in saying that 800 homes had been severely damaged, as well as many more in the municipality of St. James. I think the reeve agreed with me that 200 homes would be damaged there or at least under water.

I travelled along with the hon. member for Winnipeg North. We both wore waders or rubber boots. Hon. members can imagine the disadvantage I was at in trying to go into water that he could go into. But we were able to get a good view of the situation. Some of them took pity on me when they saw the water running into the top of my boots. They took me into a boat, and I was able to see both sides of the river, from the boat.

The spirit of the people has been wonderful. On the morning I arrived back I saw the St. Boniface radio station which had been moved to the top of a house, and that station was carrying on as usual. The same thing can be said of the different people who make up the community. There was no work for them to do down town, because the basements were flooded, and the power was cut off. They immediately got out on the dikes. Sometimes my face was red when I was seen without a shovel in my hand or carrying a sandbag, particularly when I saw people older than I shovelling sand and carrying sandbags.

It is greatly to the credit of the people of Winnipeg and Manitoba that they rallied so completely to this situation. I am proud to belong to Winnipeg; I am proud of its people. I am sure every member from Manitoba will put political difference aside to see that Manitoba gets a square deal. I am most serious when I say that I cannot describe the condition as I would like to. It was deplorable; no doubt some hon. members will pass through Winnipeg and will be able to see it for themselves.

I said before that I want to thank the Red Cross. I repeat that desire. May I also thank the Salvation Army, and the emergency centres established in Winnipeg. Among the volunteers who came along to do work were men who had never had shovels in their hands, men who went away after a few hours of work with blisters on their hands. These are the things for which we are thankful.

I am not going to enter into this dispute about who is to blame; that is water over the dam. The people of Manitoba will lay the blame where it should be. Mistakes have been made, but my getting into the dispute would only aggravate matters. I want to see the dominion government do what is right; let us look to ourselves. I say this government should send $10 million to Winnipeg right away.

Mr. Ross (Souris): Maybe they will not take it.

Mr. Bryce: Because the city of Winnipeg is building up a debt at the bank. If the money is to be paid to the provincial government, then make an interim payment now, and let them get going. Do not hold it up.

I had the pleasure of meeting Mayor Coulter and Mayor MacLean, and I learned that the amount of money they have to spend each day is very great. They have nothing to back it up, but they must have the money to keep going. I believe in the sincerity of the Prime Minister and I believe the premier of Manitoba means well. That being so, let us give the people of Winnipeg something to work with, instead of having them run up an interest bill at the banks. The government has said, "We will stand by you." Yet, when it comes to the final say-so, the municipalities and the city of Winnipeg will have to foot the bill and pay the interest. Even now they have a large overdraft. The deputy mayor of Winnipeg told me that they have four hundred trucks operating at $2 an hour. That has been going on for three weeks. No municipality or town can stand that drain on its resources.

Call it a token payment or an interim payment, call it whatever you like, but send them some money. Send them a few million dollars so that they may save themselves this bill of interest which is gathering at the banks. They should have prompt and proper treatment coming to them. The Prime Minister has said he will help; then, help now, and do not wait until it is too late.

SEX COMICS AND SALACIOUS LITERATURE

Mr. W. D. Wylie (Medicine Hat): Mr. Speaker, before you leave the chair I have a matter I should like to discuss at this time. Possibly I could have dealt with this subject either in the debate on the address in reply, or in the budget debate. Perhaps I could have waited until the estimates of the Minister of Justice (Mr. Garson) were before the house. However I feel this is an important matter, and I make no apology for discussing it now.

My subject is that of sex comics and passionate literature. It will be recalled that during the last session of parliament we passed Bill No. 10, to amend the Criminal Code, in connection with the portrayal of

crime. That act, sponsored by the hon. member for Kamloops (Mr. Fulton), has done a wonderful job, and I am sure many citizens feel that it has been worth while.

However certain publishers in Canada have found a loophole, with the result that today they are bringing out something that is perhaps worse than some of the crime comics. Bill No. 10, as I see it, and as many others see it, did not go far enough. Certain publishers in Toronto and Montreal have taken advantage of the situation and are flooding the newsstands with literature not fit to appear on any newsstand.

Mr. Fulton: It is not literature.

Mr. Wylie: I believe I should place on record the names of some of the publishers who are publishing this literature. The ones I have before me all publish in Toronto. I have always been told that Toronto was a good city, and I have heard it described as "Toronto the good". No wonder it is styled as "Toronto the good', because they must ship all the bad out of it.

Some of this trash bears on it three initials. One might see the initials S.D.D., which refers to Superior Distributors located at 21 Wellington Street East, Toronto. Another is C.D.L., Colonial Distributors Limited, located at 2001 Eglinton Avenue East, Toronto. Then there is Magazine Distributors and Sales Limited, 149 Church street, Toronto. I am sure if one of our late members were here today and heard mention of Church street he would get up and say that he had nothing to do with that company. Those are some of the publishers.

Every newsstand in this country is being flooded with trash published by these companies, which have a monopoly on the printing of sex comics and obscene literature. They tell the distributors in the small centres that they must put these books on their newsstands or they will lose their licences. I should like to read an article that appeared in the Medicine Hat *News* of Wednesday, February 15 of this year, under the heading of "Watson to ban shack-up girlies." It reads:

> Local news dealer takes own action to clear stands of salacious literature published in Toronto.
>
> The most erotic, two-bit pocket editions about the "shack-up girl" and the "reckless maiden" in the "furnished room" in the flood of licentious literature now sweeping Canada will disappear from local newsstands on Saturday. Oscar Watson, proprietor of Watson's news agency, the principal magazine distributor of Medicine Hat, announced today he has cancelled contracts with Crow library and Newsstand library publishers of Toronto for this type of "torrid tales of turbulent passion."

I admire what Mr. Watson has done in that respect. The trouble is that under the present act the publishers in Toronto and Montreal are allowed to publish this junk which is sent out to the distributors in the cities and small towns across the country who are expected to decide what should be placed on the newsstands. That is entirely wrong. The responsibility should be placed upon the publishers. I am not alone in this and I intend to read letters or excerpts from letters I have received from various organizations across this country. The first letter I should like to read is from the Local Council of Women in Medicine Hat. It is dated February 21, 1950 and reads:

> Dear sir:
>
> The Local Council of Women of Medicine Hat would like you to know that they strongly approve of the stand you have taken against the salacious literature that is appearing on our newsstands today.
>
> We wish you every success in getting an amendment to Bill No. 10 to cover this literature.
>
> Yours truly,
>
> Mrs. Marjorie Copp,
> Corresponding Secretary for L.C.W.

Another letter is from Macleod, Alberta, dated February 17, 1950, and reading:

> Mr. W. D. Wylie,
> Medicine Hat, Alta.
>
> Sir:
>
> Your campaign to curb the sale of cheap trashy literature is in my opinion highly commendable. I wish you every success in your endeavour in this matter.
>
> Olive R. Killoran

The next one is from New Brunswick and this should interest my hon. friend from Saint John. It is from the Catholic Women's League of Canada, dated March 10, 1950, and reads:

> Dear Mr. Wylie:
>
> Through an editorial in our paper printed from the Saskatoon *Star-Phoenix*, I note your efforts in regard to the banning of crime comics and salacious literature. On behalf of the Catholic Women's League of Canada of the diocese of Edmundston, I wish to express to you our sincere appreciation of your work in this matter. We realize that the law recently passed against crime comics, et cetera, is by no means adequate, but we feel sure that if we continue to work on the matter we can accomplish a great deal of good. Be assured that we wish you every success in the move you are making, and that, in this matter, you have our complete co-operation.
>
> Sincerely yours,
>
> Mrs. Frank J. Toner,
> President, Edmundston Diocesan Council, C.W.L.

Then I have a letter from Arthur L. Davis of Moose Jaw, but as it is rather lengthy I shall not read it. The next item I should like to place on the record is a copy of a newscast which was sent over station CKY, at 8 p.m., February 16, 1950. It reads:

> The possibility that the federal government will be asked to investigate the distribution of "lurid"

literature at this session, indicated today that "clean-up" legislation would have a considerable effect on local sales.

Social Credit member of parliament, W. D. Wylie, promised recently that he would ask parliament to take immediate action on the sales of what he termed "filthy sex magazines." His contention was that while last year's bill which banned crime comics in Canada was praiseworthy, Canada's newsstands still carried a tremendous amount of indecent literature. He indicated that while children have been denied their diet of cops and robbers, they don't have to go hungry if they want top-flight—if sexy—excitement.

A group of CKY reporters made a survey of Winnipeg newsstands today, and their reports showed that while gangsterism in print has disappeared, what has taken its place is much worse. For every decent or "family" magazine, the survey showed, there appear to be two others which are crammed with lewdness and sensationalism. The "come-on" is usually an alluring title or photograph, and the publications are available to anyone, including children.

Here are some of the titles and stories available almost anywhere in Winnipeg to young children as well as adults. Are Canadian women sex starved? Why European Women are the Sexiest; Smouldering Secrets of Sultry Sirens; Lover's Triangle; A Daring Exposé of How a Woman Snares a Man; Sex Comes to Tarzan; Marriage in a Chemise; Pre-Wedding Madness; I Had to Marry; Wicked: She Was Easy With her Kisses and Free with her Charms; I was Hungry for Love; Striptease Goes West; What Sells You—Sex or Facts; Long Lost Passion; My Scandalous Affair; My Husband's Infatuation; and Vice in Los Angeles.

It was noted that these magazines were exposed prominently on newsstands, and in some cases purchasers had difficulty in concealing their embarrassment. The provincial government department under whose authority these matters are handled says there have been no complaints, and therefore no action is contemplated toward cleaning out newsstands. However, church and youth groups in eastern Canada have gone on record as condemning the magazines, and challenge the government to pass a law similar to the one which last year made the sale of crime comics illegal. Observers stated that if and when such a law is passed it would leave newsstands a little bare but clean.

This newscast was broadcast over CKY, Winnipeg, and that is what they found on the newsstands in that city. I want to refer to one paper in western Canada which is very much worried about the censorship of sex comics and passion literature, the Calgary *Herald*. This newspaper went all out in an editorial on February 15, 1950, against myself and expressed alarm over the censorship of crime comics, sex comics and passion literature. I must admit this same paper supported the hon. member for Kamloops (Mr. Fulton) when Bill 10 was introduced in the house. I am not going to read all of the editorial because most of it is so silly that it does not even make sense. However, I am going to read what they say in the last two paragraphs.

An hon. Member: Read it all.

[Mr. Wylie.]

Mr. Wylie: You would not enjoy it if I did, and you might consider where it comes from. The last two paragraphs read as follows:

If Canada as a nation has any sense of morality at all and if Mr. Wylie's private book collection is as dangerous as he says it is, then it may be assumed that moral pressure will cause these books to be withdrawn. In the meantime, we suggest that Mr. Wylie devote his attention to the more important matters with which the Canadian parliament would do well to concern itself.

The Calgary *Herald* surely must realize, Mr. Speaker, that Canada's most valuable asset is the youth of the country. Their good citizenship depends entirely on the bringing up they have in their own homes, and the education they receive in the early days of their youth. For a paper such as the Calgary *Herald* to publish such an editorial certainly demonstrates their ignorance. I am greatly surprised at their doing so. The Medicine Hat *News* in an editorial on Monday, February 13, 1950, showed the need for sex comics control. I want to read the editorial because I believe it is a good one and should cause many members of the house to think as I do. It reads:

The need for governmental action to dam the flood of "passion" literature now evident on the shelves of newsstand retailers must be apparent to every thinking adult. It is a wicked business conducted by a few men who are profiting by this mental seduction of youth. It is a deliberate move to compensate for the loss of the crime comic book trade and it replaces one evil with another, an even more serious threat to the moral fabric of this nation.

It is a flouting of the good intentions of Bill 10, designed at the last sitting of the Canadian parliament, and the only way in which it can be stopped is an attack on the fountainhead. The Toronto and Montreal publishing cartel which is trafficking in this epidemic of salacious literature is the group against which restraining legislation should be aimed, not the wholesalers, distributors and retailers who are compelled to handle the filth. In order to obtain the slicks and standard periodicals for distribution dealers are told to take a certain quota of the romance pulps and "comics."

That is the editorial which appeared in the Medicine Hat *News*, and I believe it is worth while. I am going to read a few titles of books that have appeared on newsstands in Medicine Hat and which were removed by Mr. Oscar Watson, the distributor of this literature in Medicine Hat. One is "Eager is the Flesh", a tale of violent men and surging passions. The trouble is that in every case the cover is the most prominent part of the book; it always shows a picture of a nice looking girl to attract everyone's attention. Another one is "Week-End Girl", an intimate story of reckless love. Then there is "Reckless Maiden"; her love was a mad obsession. Another one shows a picture of a nude girl through a window and its title is "Furnished Room". The minute

you look at the cover you think the book will be a spicy one and that you had better buy it and read it.

Mr. Fraser: She should have pulled down the blind.

Mr. Wylie: They have no intention of pulling down the blind. I have another one showing a girl in the nude, and its title is "Shack-up Girl".

Mr. Cote (Matapedia-Matane): What does it mean.

Mr. Wylie: You should know. I hope the hon. member does not expect me to explain it to him. These 25-cent novels are brought out in such a way that the cover looks good. They are printed on the cheapest paper that can be obtained.

An hon. Member: It looks bad to me.

Mr. Wylie: These are 25-cent pocket editions of trash. Then they brought out some more in the comic book style: "Women in Love. Here is my sin. My heartbreak, plus other real love secrets." The picture shows a very nice girl. Here is another: "My life. Her kisses were tainted. I hated my home, plus other true to life stories." These are what are taking the place of crime comics, and they are much worse. "Miss Beverley Hills." "Secret loves. Thrilling tales of intimate romances. I had two loves." "First romance. True love stories." Then I assume this one is very good: "Saddle romances. Western love." Here is another one: "Flaming love." I have many more here that I can let hon. members have to read, if they wish.

Today all these love stories I have shown you are on the newsstands. Then on the back of some appears an advertisement, telling you that you can send to the Herald Publishing Company, 2382 Dundas Street West, Toronto—you will notice I am giving the address in case any hon. member wants to take it down—and get twenty-four of these books for $1. Bargain prices! These other books are not on the newsstands, but you can get them by sending to Toronto. When I came down here I wasted a dollar sending for twenty-four more of these books. I really never expected to get them, but when they came I found them to be the same as those selling for 10 cents on the newsstands. Apparently they have more trash they cannot get rid of, so they try to fool you by offering a bargain. I may as well put a few of these titles on *Hansard* as well. The first is "Nellie the nurse." Then "Teen-age diary secrets," published by Superior Publishers Limited, Toronto. "Aggie Mack," "Dogpatch," "Horse Feathers," "Black diamond," "Venus." There are fifteen or sixteen more, but I do not think it worth while to read them all.

I believe something should be done to prevent this type of literature going out across Canada. I do not think it should be left entirely to the distributors in each town or city to look through all this trash before it appears on the newsstands. Furthermore I believe anyone publishing this sort of thing should be—one hon. member says "shot" and another says "prosecuted"; perhaps "prosecuted" is the best word. People across the country are up in arms about this sort of thing. The only way we can get action is through the House of Commons, as we did with Bill No. 10 last year, which did away with crime comics. Let us do away with these sex comics disguised as literature, which are just as bad if not worse.

I hope the Minister of Justice (Mr. Garson) will see his way clear to do something in this matter, and not leave it entirely to the provincial authorities. After all, this trash is published in Toronto and shipped to every province in Canada. No doubt complaints have been made; no doubt the minister has received many complaints with respect to this literature. It should be stopped at the source, where it is published. I am sure the minister would have the support of hundreds of organizations throughout this country, as well as every member of the House of Commons.

Mr. Fleming: Mr. Speaker, the grievance I am going to bring before the house concerns the Post Office Department—

Mr. Knight: Mr. Speaker, I wonder if the hon. member for Eglinton (Mr. Fleming) would permit me to continue the discussion initiated by the hon. member for Medicine Hat (Mr. Wylie). I shall take only two minutes, if that. Of course it is for the hon. member to say.

Mr. Fleming: I do not expect to be long—

The Acting Speaker (Mr. Beaudoin): If the hon. member for Saskatoon (Mr. Knight) wishes to speak on the subject introduced by the hon. member for Medicine Hat he must do so now, unless the hon. member for Eglinton intends to speak on sex comics as well.

Mr. Fleming: I do not wish to speak on that subject.

The Acting Speaker (Mr. Beaudoin): If not, no other hon. member can go back to that subject.

Mr. R. R. Knight (Saskatoon): Mr. Speaker, there is one phase of the subject introduced by the hon. member for Medicine Hat, in regard

to this business of the debasement of womanhood, to which I want to draw the attention of the house and the people of this country; that is, the willingness of certain people in business and certain business institutions to sell anything to anybody, irrespective of the harm that may be done, as long as it is within the law and there is profit in it for them. Thus it is that we must have laws in this country to keep people from selling narcotics and other kinds of dope to high school pupils, or cigarettes and liquor to children.

There is one aspect which I should like to draw to your attention with respect to what I call this debasement of womanhood. This is the stuff we have been hearing about, which is purported to be the glorification of womanhood, the glorification of the female body and all that sort of thing. Let me point out to you, sir, that it is not the glorification of womanhood as motherhood that we get. It is not the idea contained in that old song "Mother Machree", which you may remember:

I love the dear silver that shines in her hair,
And the brow that's all furrowed and wrinkled with care.

That is not the sort of thing we get in these articles. It is the glorification of another type of womanhood, and that is responsible for the creation of false ideas, and wrong human values.

I should like to say that one of the greatest causes of this very type of trash being produced, about which the hon. member has told us, is the low debasement to which the publications known as the "slick" magazines have descended in the matter of their advertising. The United States publications are mostly guilty in that respect, but I blush with shame at some of our own magazines. One or two of them boast about being national publications. I believe this thing is our fault, because we put up with it in those magazines. I might sum it up in this way. The habitual use of the female human body as a means of promoting the sale of anything from gas engines to canned peas is an abomination, and I think it should be eliminated. I do not know how. I do not know to what extent legislation will effect this, because there are ways of getting around legislation. The liquor interests are not supposed to use our magazines for advertising, but what do you see? You see that a brewery is promoting the breeding of good race horses, or a distillery is doing something else for the fine young boys and girls of Canada or promoting some worthy object. I had a letter this morning from some cigarette outfit stating that they are trying to keep down fires in Canada. You and I know that the papers on their cigarettes are saturated with saltpetre, or some other chemical and if you light a cigarette, as one often sees a public speaker do, even though he does not know it is there, it is finished long before he has completed his speech. A speaker may even lay down his cigarette, but it keeps on burning. Any part of a cigarette discarded in the woods is a fire hazard if conditions are right. A lot of our advertising is untruthful, insincere and immoral. Is it any wonder that it creates in the minds of the young false values and wrong ideas, and makes them susceptible to the kind of lurid trash the hon. member for Medicine Hat has just described?

POST OFFICE—DENIAL OF THE USE OF MAILS

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, yesterday's *Globe and Mail* carries on the first page an article under this caption, "Denied Use of Mails: Leaside Lions under ban for Conducting Raffle". The article is brief and I shall read it:

Postal authorities have denied the Leaside Lions club and a member, Jack Wyler, use of the mails as the result of a number of tickets for a raffle being sent to club members by mail.

Club president William Priestly said last night the ban was to be in effect until after the raffle has been held on June 6 at the annual Lions carnival. The prize is a car.

Mr. Wyler was chairman of the raffle committee, Mr. Priestly said. The tickets were being distributed by mail to club members for sale to the public, he explained.

"All of Mr. Wyler's personal mail including his pay cheques have been withheld from delivery to his home," said Mr. Priestly. Semi-monthly bulletins of the Leaside Lions club have had to be delivered by hand.

Mr. Priestly said the club received notification of the ban on the use of the mail service in a letter from a district postal inspector. The ban has been in effect for three weeks.

He said the club had signified in writing to the post office that no further infractions of regulations would occur.

After the discussion that has been held in this house in recent weeks in regard to the arbitrary banning by the postal authorities of the use of the mails to certain citizens, I am sure that this latest episode will be viewed by members with real concern. I hope so.

Let me explain, sir, the purpose of the Lions club is carrying on this raffle. The Lions club is doing welfare work, and the purpose of raising money at this fair, by this raffle and other means, is to provide funds for carrying on welfare work, including aid to Winnipeg; that is one of the purposes for which this particular raffle was being conducted. The persons concerned are all thoroughly reputable citizens. Not one of them is getting a cent out of it for himself. The organization is a highly respected organization, and is getting nothing out of the raffle for the benefit of the members. This represents a part of their effort to contribute to worthy welfare objects. The tickets which

were going in the mail, and which led to this arbitrary and high-handed action on the part of the post office authorities, were not going to the public. They were going from the chairman of the particular committee in charge of the raffle to the club members. I think, sir, in the face of this action, the members of the house will realize that this arbitrary and abusive power on the part of the postal authorities has gotten to the point where a stop must be put to it. If the postal authorities are going to start interfering with organizations of this type, where there can be no question whatever of an attempt to defraud the public, then the House of Commons should certainly put its foot down, and put it down soon.

What is the next step in the situation, sir? Today's *Globe and Mail* carries this further information in an article which says:

Both the club and a member, Jack M. Wieler, were placed on the denied mail list by the post office after it was discovered the club had been sending raffle tickets through the mail to members for distribution. Mr. Wieler is chairman of a club committee which is raffling a motor car.

Mr. Priestly estimated that 1,500 raffle tickets were sent out through the mail by the club. "The executive did not know that it was an illegal act," he said.

Last night members of the Lions club were out selling tickets for the raffle on Bayview avenue. On Saturday members will again conduct street sales and the money collected that day will be donated to the Winnipeg flood fund.

The raffle will be held June 10 at the annual club carnival. Postal officials in Ottawa have stated the ban would not be lifted until either the raffle is held or cancelled.

Members of the club have described the action of the post office as unfair and ridiculous. Mayor G. T. Manes said: "I can't understand why the government would clamp down on a charitable organization." The proceeds of the raffle, it was stated, will go to welfare work only.

Mr. Manes is a past president of the Leaside Lions. The town clerk, Richard V. Burgess, also a club member, commented that if service clubs were going to be stepped on like that it would stop all charitable activities.

But, sir, the action on the part of the postal authorities has not been confined to the club's mail. It has been extended to Mr. Wieler's personal mail.

Mr. Gardiner: Is my hon. friend suggesting that just because a thing is done for a charitable institution that should excuse its being done, even though the law says it is illegal?

Mr. Fleming: If the Minister of Agriculture will be patient for a moment, he will hear what I have to say about the clear distinction in the law between the cases that were described by the Postmaster General and these cases. In my submission there is no authority for the post office people to do what they have done here. The action was not confined to the mails of the club.

Mr. Gardiner: Six o'clock.

Mr. Fleming: I thought hon. members wanted to dispose of this motion now—

An hon. Member: We have wasted three days now; we might as well use another day.

Mr. Fleming: I shall try to be brief about it. The article in the *Globe and Mail* states:

All Mr. Wieler's personal mail including his pay cheques are returned to the dead letter office.

The executive of the club has assured the post office in writing that no further infractions of regulations will take place.

Chief constable Russell Spanton said the Leaside police department had sanctioned the draw each year. "It is an understood matter," the chief said.

A draw is an illegal lottery if the prizes offered individually exceed $50, Inspector Albert Lee, head of the Toronto police morality squad, said yesterday.

The Minister of Agriculture has raised a point. He said: If this is illegal, how can you draw—

Mr. Mitchell: I rise to a point of order. It is now three minutes after six. All during this debate this afternoon the members of the other place have been discussing reform of the House of Commons. After listening to some of the drivel this afternoon, I do not object to it.

The Acting Speaker (Mr. Beaudoin): Unless the hon. member has unanimous consent he cannot continue.

Mr. Fleming: I thought I was co-operating with the government in trying to abbreviate my remarks and bring them to a conclusion today.

Mr. Fournier (Hull): May I intervene? I have been waiting for two days to try to get two departments in. I have listened to many speeches, good ones and bad ones. This one is no worse than some of the others. If the hon. member can conclude in two minutes he should be permitted to go on. I should like to try to get these departments in. I am appealing to the house. I have been waiting four months to try to get some departments in.

Mr. Fleming: The words of the minister are most encouraging. I tried to start last night and to be very brief about it, and I tried to get on earlier today and to be very brief about it.

Sir, the question I raise is whether the postal authorities can distinguish between one kind of illegal act and another. The Post Office Act draws a clear distinction between the different kinds of illegal acts. The language of section 7 (d) reads in this way. The Postmaster General has certain powers in these words:

. . . and for marking on the covering of letters, circulars or other mailable matter suspected to concern

illegal lotteries, so-called gift concerts, or other illegal enterprises of like character, offering prizes, or concerning schemes devised or intended to deceive or defraud the public, for the purpose of obtaining money under false pretences, whether such letters, circulars or other mailable matter are addressed to or received by mail from places within or without Canada . . .

It may be one thing to suspect brokers of intention to defraud; but there is not the slightest evidence in this case, nor can there be the slightest suspicion, that those to whom the use of the mails has been banned here had any intention whatever of deceiving or defrauding the public. Regulation 204, passed under that act, is in the same language. The reference to illegal lotteries is confined, sir, to those in the language used, "concerning schemes devised or intended to deceive or defraud the public, for the purpose of obtaining money under false pretences." There can be no suggestion whatsoever that there was anything of that kind involved here. There are courts to deal with illegal lotteries. The police and the courts in the Toronto area and in Leaside are quite competent to deal with this matter without having arbitrary intervention on the part of the postal authorities in an arbitrary abuse of power. I say this sort of thing must stop.

Motion (Mr. Fournier, Hull) agreed to, and the house went into committee, Mr. Beaudoin in the chair.

DEPARTMENT OF LABOUR

150. Departmental administration, $540,260.

Item stands.

LEGISLATION

172. General administration, $327,378.

Item stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow we will take up Bill No. 153, to amend the Aeronautics Act. Then we will go into committee of supply and take up the estimates of the Department of Transport. We will take up the estimates of the Department of Veterans Affairs if we conclude transport.

Mr. Green: Only the one bill?

Mr. Fournier (Hull): One bill.

It being six minutes past six o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Thursday, May 25, 1950

The house met at three o'clock.

COMMITTEES OF THE HOUSE

MISCELLANEOUS PRIVATE BILLS—BANKING AND COMMERCE

Fourth and fifth reports of the standing committee on miscellaneous private bills.—Mr. Winkler.

The third report of the standing committee on banking and commerce.—Mr. Cleaver.

RADIO BROADCASTING—REFERENCE OF CERTAIN ESTIMATES TO SPECIAL COMMITTEE

Hon. Robert H. Winters (Minister of Resources and Development): Mr. Speaker, yesterday, as recorded at page 2803 of *Hansard*, the hon. member for Eglinton asked if items 267 and 268 in the estimates for the fiscal year ending March 31, 1951, and relating to the international shortwave broadcasting station, would be referred to the special committee on radio broadcasting for study and report. This case is strictly comparable to that wherein certain votes for the Department of Transport were referred by the Minister of Transport to the sessional committee on railways and shipping owned, operated and controlled by the government.

By leave of the house I therefore move:

That votes 267 and 268 of the main estimates for the year 1950-51 be withdrawn from the committee of supply and referred to the special committee on radio broadcasting, saving always the powers of the committee of supply in relation to the voting of public moneys.

Motion agreed to.

NEW MEMBERS

Mr. Speaker: I have the honour to inform the house that the Clerk of the House has received from the chief electoral officer certificates of the election and return of the following members, viz.:

Of Mrs. Ellen L. Fairclough, for the electoral district of Hamilton West.

Of George H. Hees, Esquire, for the electoral district of Broadview.

OLD AGE SECURITY

CHANGE IN PERSONNEL OF SPECIAL JOINT COMMITTEE

Mr. W. G. Weir (Portage-Neepawa) moved:

That the name of Mr. Noseworthy be substituted for that of Mr. MacInnis on the special joint committee on old age security.

Motion agreed to.

FLOOD CONDITIONS

RED RIVER VALLEY—REFERENCE TO INTERNATIONAL JOINT COMMISSION

Hon. Brooke Claxton (Acting Secretary of State for External Affairs): On Tuesday the hon. member for Souris (Mr. Ross) asked me about the appointment of the engineering board by the international joint commission. The board was appointed by the commission on April 7, 1948, with the following membership:

Canadian section:

Norman Marr, chief, water resources division, development services branch, Department of Resources and Development, Ottawa.

T. M. Patterson, engineer, water resources division, development services branch, Department of Resources and Development, Ottawa.

G. L. MacKenzie, chief engineer of the prairie farm rehabilitation administration, Regina.

United States section:

J. W. Dixon, of the United States bureau of reclamation, Washington.

Brigadier General J. S. Bragdon, assistant chief of engineers, corps of engineers, department of the army, Washington.

C. G. Paulsen, chief hydraulic engineer, United States geological survey, department of the interior, Washington.

The engineering board appointed the following to conduct field operations and assist the board in its study and investigations:

Canadian section:

G. N. Munro, assistant chief engineer, prairie farm rehabilitation administration, Regina.

D. B. Gow, district engineer, water resources division, development services branch, department of resources and development, Regina.

D. M. Stephens, deputy minister, department of mines and natural resources, Winnipeg.

E. J. Scammell, chief engineer, water rights division, department of agriculture, Regina.

United States section:

K. F. Vernon, United States bureau of reclamation, Billings, Montana.

Lieutenant Colonel E. J. Gallagher, district engineer, corps of engineers, department of the army, Fort Peck, Montana.

W. V. Taylor, United States representative, fish and wildlife service, Washington.

Henry H. C. Beckman, United States geological survey, Rolla, Missouri.

Mr. Ross (Souris): I understood the minister to say that there were some interim reports. I should like to know if they will be tabled.

Mr. Claxton: There have been four progress reports. As hon. members know, the practice of the international joint commission is to make only one final report containing recommendations to the two governments. That is their function, and then it is the responsibility

of the two governments to decide whether or not they shall act on the report. So far it has always been possible for the two sections of the international joint commission to make the same report, and I think it is correct to say that the reports have always been acted upon by the two governments.

It is not the practice of the international joint commission to make available, either to the governments or to the public, working papers and material upon which the commission arrives at its decision and recommendations; therefore it has never been the practice to table reports of this kind, and I understand that that will not be done in this case.

Perhaps at this time I might also deal with the motion standing in the name of the hon. member for Lake Centre (Mr. Diefenbaker) for the production of papers. The reference in this case was made by letter dated January 12, 1948. It is not usual for the governments to communicate with the commission, which is the instrument of both governments, after a reference has been made. But in this case the course was adopted, as has been reported already to the house, of communicating with the commission, and a letter was sent to the chairman of the Canadian section by myself as Acting Secretary of State for External Affairs under date of May 18, 1950. The commission has no objection to tabling this correspondence in response to the hon. member's motion as it appears on the order paper.

Mr. Graydon: I take it from what the Acting Minister of External Affairs has said about tabling this information that there will be no objection to one or more members of the international joint commission appearing before the special committee on external affairs?

Mr. Claxton: I can assure my hon. friend that his assumption is certainly not correct. In the view of those with whom I have had an opportunity of discussing the matter, it would be quite improper for any member of the international joint commission or one of its officials to appear before a committee of parliament to discuss a matter which is still in process of consideration. After the international joint commission has arrived at a decision and made its recommendations to the governments, the situation might be different; but until the commission, which is representative of both countries, has had an opportunity to consider all the information before it and arrive at a decision, it would not be proper for a member of the commission to appear before a committee of this house for the purpose of stating views and expressing opinions before even his colleagues on the other section, or perhaps on the Canadian section itself, had had an opportunity of considering the position.

I suggest that that would end the usefulness of the commission as an international organization which has been remarkably successful and which has presented an example to the whole world of the way in which two countries can co-operate. One of the secrets of its success has been the fact that it has been objectively representative of both countries, and that its recommendations have always been carried out.

Mr. Graydon: The estimates now being considered by the external affairs committee of the house deal with the salaries and other expenses of the members of the international joint commission.

Mr. Fournier (Hull): That is statutory.

Mr. Graydon: It may be statutory, but it is in the estimates. I say to the minister that if it is not proper for them to attend, then I do not think the house ought to give them any money until they do.

Mr. Claxton: I should think that the comment of the hon. member for Peel will be noted by the people of Canada and the United States as being a most unjustifiable comment on a great international organization.

Mr. Graydon: A great organization that will not appear before the public.

Mr. J. G. Diefenbaker (Lake Centre): In view of the fact that the Acting Secretary of State for External Affairs made reference to a motion which appears in my name on the order paper, I should like to say a word with regard to it. The motion reads:

> For a copy of all correspondence since the 15th day of January, 1948, and to date, between the international joint commission and the government of Canada relative to suggestions and recommendations as to means or methods or public works to be undertaken to prevent a repetition of the flood on the Red river of 1948.

The other day the minister mentioned that there had been four interim reports. Surely those interim reports would be made to the government of Canada. We would not expect the commission to report to itself on a matter in respect of which the people of the Red valley wished action and the government asked for action.

Mr. Claxton: I think I made it perfectly clear that the interim reports were made to the international joint commission by the engineering board appointed by the commission.

Mr. Diefenbaker: Apparently no action was taken.

Mr. Knowles: Just to have the matter clear—

Some hon. Members: Oh, oh.

Mr. Speaker: Order.

Mr. Knowles: May I ask if it is the case that there has been no final report respecting the Red river situation?

Mr. Claxton: That is right.

Mr. Knowles: Since the matter was referred to the international joint commission two years ago.

Mr. Claxton: That is right.

Mr. Knowles: When there is a final report, will it be tabled?

Mr. Claxton: I should think that would be a matter for the attention and consideration of the government at that time.

BRITISH COLUMBIA—TABLING OF CORRESPONDENCE

Mr. James Sinclair (Parliamentary Assistant to the Minister of Finance): Mr. Speaker, I beg leave to table correspondence between the Minister of Finance and the Fraser valley flood rehabilitation commission.

(Translation):

SOUTHERN MANITOBA—REFERENCE TO ST. BONIFACE RADIO STATION

Mr. Fernand Viau (St. Boniface): Mr. Speaker, yesterday during the discussion on the flood, as reported on page 2818 of *Hansard*, the hon. member for Selkirk (Mr. Bryce) made the following statement:

> On the morning I arrived back I saw the St. Boniface radio station which had been moved to the top of a house and that station was carrying on as usual.

I must say that this statement is inaccurate, since during all the time the flood lasted, the St. Boniface radio station continued to operate from its centre-town studios.

(Text):

NATIONAL PARKS ACT

AMENDMENTS WITH RESPECT TO LANDS REQUIRED FOR GAS AND OIL PIPE LINES, ETC.

Hon. Robert H. Winters (Minister of Resources and Development) moved the first reading of Bill No. 235 (from the Senate), to amend the National Parks Act.

Motion agreed to and bill read the first time.

CUSTOMS ACT

AMENDMENTS WITH RESPECT TO APPEALS TO TARIFF BOARD, ETC.

Hon. Robert H. Winters (Acting Minister of National Revenue) moved the first reading of Bill No. 237 (from the Senate), to amend the Customs Act.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

RIVIERE-AU-RENARD, QUE., RIVER IMPROVEMENTS

Mr. Courtemanche:

1. Was any work done at the mouth of the river at Riviere-au-Renard, county of Gaspe, during the summer of 1949?
2. If so, what work, and at what cost?
3. Who was the foreman, and what salary did he receive?

Mr. Fournier (Hull):

1. Yes.

2. (a) Repairs and improvements to fishermen's wharf; (b) $21,415.13.

3. (a) Salomon Bernier; (b) $8 a day.

*AERIAL PHOTOGRAPHY

Mr. Wright:

1. What firms received contracts for aerial photography work in the three western provinces in 1949?
2. What price was paid for the work done?
3. Were these contracts let by tender?
4. Have any contracts for aerial photography work been let in the province of Saskatchewan for 1950?
5. If so, who are the contractors, and what is the price to be paid for this work?
6. Were tenders called for these contracts?

Mr. Maybank:

1. Survey Aircraft Limited, Vancouver—contract for approximately 12,212 square miles in Manitoba and Saskatchewan.

Arctic Air Lines Limited, Edmonton—contract for approximately 12,947 square miles in Saskatchewan and Alberta.

Air Surveys Limited, Edmonton—contract for approximately 10,740 square miles in Saskatchewan.

5. Survey Aircraft Limited, Vancouver; Arctic Air Lines Limited, $55,741.96; Air Surveys Limited, $48,067.87.

3. Yes.

4. Yes.

5. Survey Aircraft Limited, Vancouver, approximately $15,093.60.

Air Surveys Limited, Edmonton; approximately $61,221.60.

6. Yes.

*See also page 4115.

Orders for Returns

SURVEYS—NEWFOUNDLAND

Mr. Browne (St. John's West):

1. What plans, if any, have been made for the 1950 season for survey parties engaged in Newfoundland in (a) geological work; (b) geodetic work; (c) topographic work; (d) hydrographic work?
2. Where will such parties operate?

Mr. Maybank:

1 and 2. Subject to possible minor changes, plans have been completed for the 1950 survey parties in Newfoundland. They are as follows:

(a) Geological work—seven parties to operate in the following areas:

(1) Harbour Grace; (2) Gull Pond; (3) Campbellton; (4) Labrador coast; (5) Quebec-Labrador iron region (three parties).

(b) Geodetic work—four parties to operate in the following areas:

(1) South coast of island—triangulation; (2) St. John's to Port-aux-Basques—levelling; (3) Goose Bay—triangulation; (4) Quebec-Labrador boundary area—triangulation.

(c) Topographic work—seven parties to operate in the following areas:

(1) Wesleyville to Peters Arm (two parties); (2) Avalon peninsula (two parties); (3) Dyke lake area (three parties).

(d) Hydrographic work—four Canadian government ships and two chartered motor vessels will carry out hydrographic surveys in the following areas:

(1) St. John's harbour; (2) Wabana; (3) Hare Bay; (4) east coast of Labrador (three ships).

QUESTIONS PASSED AS ORDERS FOR RETURNS

CIVIC HOLIDAY—WINNIPEG POST OFFICE

Mr. Knowles:

1. Has a decision yet been reached with respect to holidays to be observed by civil service and other government employees during the remainder of 1950?
2. If so, what is such decision?
3. Does such decision include a provision for civic holiday, wherever the same is observed in any particular locality, to be observed as a holiday by civil servants and other government employees in that locality?
4. Does such decision include a provision which will ensure that the post office employees in the city of Winnipeg will be given a holiday with pay on civic holiday of this year?
5. Is any decision, as noted above, for this year only, or will it apply to future years?

Mr. Bradley: Return tabled.

GOVERNMENT EMPLOYEES—TRAVELLING EXPENSES

Mr. Diefenbaker:

How many government employees or officials in each department were paid travelling expenses in each of the fiscal years of 1948-49 and 1949-50 of (a) over $8,000; (b) between $5,000 and $8,000; (c) between $3,000 and $5,000; (d) between $2,500 and $3,000?

BUSINESS OF THE HOUSE

PRECEDENCE OF GOVERNMENT BUSINESS ON MONDAYS

Hon. Alphonse Fournier (for the Prime Minister) moved:

That on Monday, May 29, 1950, and every Monday thereafter to the end of the session, government notices of motions and government orders shall have precedence over all other business except introduction of bills, questions by members and notices of motions for the production of papers.

Motion agreed to.

FREIGHT RATES

INCREASE AWARDED TO RAILWAYS—OPPORTUNITY FOR DISCUSSION

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): I should like to direct a question to the Minister of Transport. In view of the announcement made by the Board of Transport Commissioners for Canada regarding an increase in railway freight rates, and since it is expected that the minister's estimates will come up this afternoon, will he call item 524, administration, board of transport commissioners, so that the house may discuss this matter, which is of some urgency in many constituencies?

Hon. Lionel Chevrier (Minister of Transport): I should like to have the opportunity of giving the question some consideration. When the preceding judgment was handed down I think it was the desire of the house that we set aside a time for such a discussion. Naturally I am anxious to get on with my estimates, but if it is the wish of the house that this be done, I can give the matter some thought while the discussion of the bill to amend the Aeronautics Act is taking place. Personally I would prefer to discuss the freight rates question at a later time.

Mr. Coldwell: I am not going to press it because of what was said before. I had considered raising the question today by moving the adjournment of the house to discuss a matter of urgent public importance. I thought I would give the minister the opportunity of allowing us to discuss it on his estimates, rather than initiate a separate debate. If a day is to be set aside, I believe that will be satisfactory, but I think it should be done soon, in view of the fact that the increase in freight rates affects many constituencies adversely indeed.

Mr. Chevrier: I feel that such a debate will be a lengthy one, much lengthier than the usual discussions on estimates of the department. For that reason perhaps I might turn the question over in my mind until we reach the estimates of my department.

HON. LIAQUAT ALI KHAN

VISIT OF PRIME MINISTER OF PAKISTAN—INQUIRY AS TO ARRANGEMENTS

On the orders of the day:

Mr. Solon E. Low (Peace River): Is the Acting Secretary of State for External Affairs in a position to tell the house today what the program will be on the occasion of the visit to Ottawa next week of the leader of one of the commonwealth countries, Hon. Liaquat Ali Khan, Prime Minister of Pakistan?

Hon. Brooke Claxton (Acting Secretary of State for External Affairs): Mr. Speaker, it is understood that the Prime Minister of Pakistan will arrive from Boston at Rockcliffe airport, Ottawa, at 11 a.m. on Tuesday, May 30. He will be greeted by a general salute by the guard of honour, and at 12.30 will lay a wreath at the national war memorial. That evening he will be entertained by Their Excellencies. At 11.00 a.m. on Wednesday, May 31, he will confer with members of the cabinet. I am informed that the Prime Minister has already approached the Speaker of this house and the Speaker of the Senate for the purpose of arranging, if it meets the wishes of all hon. members, for the Prime Minister of Pakistan to address a joint meeting of both houses at 3 p.m. on Wednesday, May 31, in accordance with the practice under which prime ministers of commonwealth countries have been extended that invitation. There will be a government dinner that night.

On Friday, June 2, the Prime Minister of Pakistan will leave by air for Kingston, where he will be received by the national conference of Canadian universities and the members of the national defence college. That same day he will proceed by air to Toronto where he will visit the international trade fair. Later he will leave Toronto by automobile for Niagara Falls, where he will spend the night and stay until he leaves Canadian soil on Saturday afternoon.

Mr. Low: Thank you.

WHEAT

REPORTED TERMINATION OF NEGOTIATIONS WITH GREAT BRITAIN

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): I should like to direct a question to the Acting Minister of Trade and Commerce, in reference to a radio announcement over the C.B.C. this morning to the effect that negotiations between the Minister of Trade and Commerce and representatives of the British government with regard to the marketing of wheat had terminated rather sooner than was expected. Is the acting minister in a position to give a report on the matter of the fixing of a price for the coming year?

Mr. G. J. McIlraith (Parliamentary Assistant to the Minister of Trade and Commerce): I am not in a position to give any information, Mr. Speaker. No report has come back, and I do not expect that there will be a report until the minister, the deputy minister and the chairman of the wheat board return tomorrow.

THE LATE FIELD MARSHAL WAVELL

TRIBUTES AND EXPRESSIONS OF SYMPATHY

On the orders of the day:

Mr. G. R. Pearkes (Nanaimo): Before we proceed to the orders of the day I would deem it a privilege, Mr. Speaker, if I might make a reference to the passing of a great soldier, a wonderful administrator and a constructive statesman who was a personal acquaintance of mine. I refer, of course, to the late Field Marshal Wavell. He would not be known to many Canadian soldiers during the first world war, but between the first and second world wars his name became known to a great many Canadians in the different services, because he had prepared a textbook on the campaigns in the Near East which gave an outline of the type of operation in which Canadians were to take part in the second world war. In addition, his series of lectures on generals and generalship showed not only that he was preparing himself for high command but that he was indicating a way to leadership which was followed by a great many Canadians in the second world war.

I became acquainted with the late field marshal when he was in command of the second division at Aldershot during the thirties. There his original methods of training and instilling initiative into the British soldier were the forerunners of the battle drills which were later associated with Field Marshal Montgomery.

During the second world war, of course, he was in command in Africa and the Middle East. There, with very slender resources, he was able to make use of his great business capacity in organizing for victory in Africa in 1940. His supreme moment of trial, and I think the greatest triumph of his life, came when he was called upon to implement the decision of the allies to support Greece from

the few resources he had available. His decision in that respect has been frequently criticized; but a given pledge was kept and a nation's honour saved, two matters which were of no small importance to a man of Earl Wavell's character.

I think every Canadian of Hellenic extraction will feel that he has lost a true friend in the passing of Field Marshal Wavell, and I am sure this house and everyone concerned extends deepest sympathy to Lady Wavell and her family.

Hon. Brooke Claxton (Minister of National Defence): Mr. Speaker, because I had already sent messages to Lady Wavell and to Mr. Shinwell, Secretary of State for War in the United Kingdom, it had not been my intention to make reference today to the death of this great soldier. However, I should like to associate myself with everything that has been said by the hon. member for Nanaimo (Mr. Pearkes).

It was not my privilege to know Viscount Wavell through having served under or with him, as it was the privilege of the hon. member for Nanaimo, but I think we were fortunate in that it was possible for him to visit Canada last November in his capacity as honorary colonel of the Black Watch, Royal Highland Regiment of Montreal, and on that occasion he visited a number of our defence establishments, including the national defence college and Royal Military College. He showed himself to be an understanding leader as well as a great soldier, and when he died I am sure many of us had the feeling that we had lost a firm friend of our country and of our services.

AERONAUTICS ACT

AMENDMENTS WITH RESPECT TO POWER OF MINISTER TO MAKE REGULATIONS, ETC.

Hon. Lionel Chevrier (Minister of Transport) moved that the house go into committee to consider Bill No. 153, to amend the Aeronautics Act.

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

On section 1—*"Minister" defined.*

Mr. Green: Mr. Chairman, after this bill was given second reading it was referred to the standing committee on railways, canals and telegraph lines, where we had an opportunity to go into the proposed changes in some detail. Today I should like to make a few remarks having to do particularly with the powers and authority of the air transport board.

The bill is divided into ten sections. The first three deal with the authority of the Minister of Transport which are set out under the Aeronautics Act in part I. Then clauses 4 to 9 of the bill deal with the air transport board, which was set up under part II of the Aeronautics Act passed in 1944. The tenth section deals with part III of the act, which covers the publication of regulations, makes provision for the employment of staff, and contains various other general provisions of that kind.

Today my remarks have to do particularly with the air transport board. I should like to urge upon the minister and the house that the time has come to give the air transport board the authority it deserves. Instead of doing that, the bill we are considering takes away some of the board's authority. So far as I can ascertain from a study of the bill, there is no attempt whatever to strengthen it and put it on a basis similar to that of the board of transport commissioners.

I believe it would be worth while to refer the committee to a statement made by—

Mr. Chevrier: I am sorry to interrupt the hon. member, but he is now dealing with the powers of the air transport board. We do not deal with that board until we get to section 4 of the bill. I was wondering if we could not confine the discussion to the relevant sections. I understand that in committee of the whole discussion should be directed to the sections of the bill. The first part of the bill deals with ministerial powers, while the second part deals with the powers of the board.

Mr. Green: In the discussion of the first section of a bill there is always wide latitude given. Actually my remarks today apply to practically all the sections of the bill. I have to refer to the powers of the minister; therefore I really cannot make my presentation unless I am allowed to do it on the first section of the bill.

The Chairman: I shall ask the hon. member to discuss generally the principle of the bill, and not refer to any particular section. Then, as each section is called, he may discuss it.

Mr. Chevrier: Can the hon. member not discuss this matter under the sections dealing with the air transport board?

Mr. Green: No; I prefer to do it now. I think I can do it better under this section.

When the present Minister of Trade and Commerce (Mr. Howe) was introducing the amendments to the Aeronautics Act in 1944, which amendments provided for an air transport board, he had something to say about

the functions of that board. His remarks may be found on page 3599 of *Hansard* for June 6, 1944. He said:

> The effect of the amendments is to form a board of three, a chairman and two members, who will administer the Aeronautics Act, take over the duties now being performed by the board of transport commissioners in regulating civil aviation as well as the duty of assigning airworthiness certificates and of licensing aviation enterprises within Canada. In addition, the board will function to advise the government as to ways and means of advancing civil aviation. The board will take the initiative in laying out routes, within Canada and overseas, which promise possibilities of profitable operation and will guide the government in seeing that these routes are operated by Canadians who are capable of carrying out such undertakings.
>
> The judicial functions of the board are not new, but the functions of the board as advisers to the government on aviation policy are new, and will, I think, be helpful in bringing about the rapid development of civil aviation, both internal and external.

Members will notice that at that time the minister, who was then minister of munitions and supply, attributed great importance to this air transport board. In the committee the other day we got a short statement from the chairman of the board indicating just what it is doing at the present time, six years after that statement. The statement of the chairman of the board will be found at page 243 of the minutes of proceedings and evidence of that committee. He was asked what the functions of the board now are, and this is his answer:

> The board under the minister is responsible for the granting of licences or refusal of licences, as the case may be, to commercial air services.

Members will note those words, "under the minister". That is the first job of the board, and here is the second:

> It is also responsible for general economic regulation and economic relationships between commercial air services—

Then, the third is:

> —and for such general aviation matters as the minister wishes the board to report upon or offer advice upon.

The fourth and final job of the air transport board is indicated by the following statement of its chairman:

> Apart from that I should also add it is responsible on behalf of the government for taking care of the policy matters in connection with our part in the International Civil Aviation Organization, and the Canadian representative on the council of ICAO is a member of the board's staff.

As hon. members know, the function of licensing commercial air services came under—

The Chairman: I am sorry to interrupt the hon. member, but he is not generally discussing the principle of the bill. He is discussing a special matter which comes under a particular clause, and that cannot be done.

Mr. Green: Mr. Chairman, as a matter of fact this first clause deals with a definition of "minister", and because of that fact, quite apart from the rule of the house that we are allowed wide latitude in discussing the first section of a bill, I submit my remarks are in order. I am pointing out that the air transport board has too little power, and the minister too much; therefore my remarks come within the scope of this section.

Mr. Chevrier: I have to point out that we are dealing now with part I of the bill, while my hon. friend's discussion is directed exclusively to part II.

Mr. Green: No; my remarks cover the scope of the whole bill, and if you will allow me to proceed, Mr. Chairman, you will see that is the case.

Mr. Chevrier: I do not want to interrupt, but it seems to me that this speech should have been made either on second reading when we were discussing the principle of the bill, or on third reading. We are now in the committee of the whole. I do not want to prevent the member from discussing anything he wishes to bring up, but I think considerable latitude was allowed in dealing with the principle, and it would be helpful to the whole house if we could deal with the sections of the bill.

Mr. Green: It will not save the house five minutes. It will take extra time if members have to make six speeches instead of one. The minister has said I should have made this speech on second reading, but the basis of this speech is the evidence we obtained in committee after the bill was given second reading. There should be no such limitation as the minister is trying to put on me in this discussion. Mine is a general statement concerning the set-up of this act, and the division of powers as between the minister and the air transport board.

Sections 1, 2 and 3 of the bill deal with the powers of the minister, and, as I explained in opening, sections 4 to 9 deal with the air transport board. My remarks can properly be made only on this first section, because they cover the whole bill. I am entitled to make these remarks on the first section.

The Chairman: I am sorry, but since the remarks refer to particular matters, I believe they are out of order when made on the first section. A general discussion may be had on the first section, and particular matters may be discussed as each section is called.

Mr. Green: This is a general discussion I am engaging in now.

The Chairman: Proceed, and I shall see.

Mr. Green: The air transport board, in dealing with applications for licences, which is their first function, should be able to act as a judicial body, free and independent of interference of any kind by the minister or any other authority. That is the position of the board of transport commissioners when they deal with applications having to do with the railways of Canada or with shipping, or when they act under the other powers conferred upon them.

The Aeronautics Act provides that the air transport board, in issuing a licence, must be satisfied that the proposed service is and will be required by the present and future public convenience and necessity of Canada; in other words, in the Aeronautics Act they are given that test—the consideration must be the public convenience and necessity. Furthermore, in the amendments which were passed to the Aeronautics Act in 1945, the air transport board were given the power of a court; for example, they have powers to have their orders enforced in certain courts of the land; they have power to send for witnesses, and they have power to issue commissions to take evidence; they are given wide powers, just as though they were an independent court; but actually their position is not that at all.

In the committee we questioned the chairman of the air transport board about the powers of the board in issuing a licence, and about the control the Minister of Transport had or has over these applications. At page 244 of the minutes of proceedings and evidence we find the following:

Q. When you render a decision —

That is, on an application for a licence.

—is that published by yourselves and a licence issued, or do you merely recommend it to the minister?

A. The board's decision is signed by the board members and if it is an affirmative decision it is submitted to the minister for his approval; if he approves the decision he signs it and the board then issues a licence to the carrier. In the event of a denial of an application, that under the statute may be taken care of by the board itself without submission to the minister, but with the right of appeal on the part of the carrier to the minister.

Then I asked him this question:

Q. I see. So that if an application is granted you make a recommendation, and then that has to be approved by the Minister of Transport?

A. That is correct.

Q. And, subject to that approval, you issue the licence?

A. That is correct.

[The Chairman.]

Q. And if the application is denied there is no recommendation made by the board to the minister but the applicant has the right of appeal to the minister?

A. The applicant has the right of appeal to the minister.

Q. Is that appeal to the minister or to the cabinet?

A. To the minister.

There are hundreds of applications for these licences. Here we have the position that this air transport board, which was set up by the present Minister of Trade and Commerce in 1944 with such a glowing description of the part it was to be allowed to play in aviation, has no power to issue a single licence without having the application referred to the Minister of Transport. The jurisdiction of the board of transport commissioners is, of course, quite different. It is a judicial body; it makes its decision and the only appeal is to the governor in council. But this air transport board is handicapped in that, in every case in which an application is granted, it can only recommend to the minister, and he has the final approval or rejection of that application.

That provision, Mr. Chairman, has two bad results. In the first place, it must of necessity weaken the air transport board, and anything that tends to weaken it is a bad thing. This air transport board should be made into a strong body. The second bad effect is that the Minister of Transport is given too much power. He is not in a position to know whether or not those applications should be granted. How on earth is it possible for him to judge the merits of hundreds of applications for licences? It simply is not possible for him to do that, and I do not believe he does it. I think he just takes the recommendation of the air transport board and approves of the granting of the licence. That very fact is clear proof that this power of the minister should be done away with and that the air transport board should have the final word as to whether or not an application for a licence is to be granted. There would have to be some appeal, of course; but if there is to be an appeal, then let that appeal be to the cabinet.

This power held by the Minister of Transport over the issuing of licences is a hangover from the days when the present Minister of Trade and Commerce (Mr. Howe) was administering the act. He likes to have powers of that kind right in his hands, and the air transport board was set up with that idea in mind; it was set up so that it could not make a move without coming to him. He had an arbitrary and dictatorial control over the air transport board. In my opinion the time

has come when that control should be done away with. There may have been some excuse for it during the war—

Mr. Mitchell: My hon. friend is swallowing himself. What he wants is bigger and better bureaucracy.

Mr. Green: I do not think that remark has any connection with my speech; and I am not surprised that such is the case, considering the source from which it comes.

Mr. Mitchell: That is mutual.

Mr. Green: I beg your pardon?

Mr. Mitchell: I say that is mutual.

Mr. Green: Thank you very much. Then we are both happy. The Minister of Labour has the habit of coming into the house, when he has not heard the discussion and does not know what is going on, making some wisecrack with the look of a Solomon, and then going out. That is exactly what he has done here.

Mr. Mitchell: Let me say this to my hon. friend—

Mr. Green: I have the floor. Do you want to ask a question?

Mr. Mitchell: I rise on a point of privilege. Let me say to my hon. friend that I spend as much time in this House of Commons as he does.

Mr. McIlraith: You put it to better use, though.

Mr. Mitchell: I was going to come to that. I use it in a more intelligent way. Let us just keep the record straight; that is all.

Mr. Green: I do not know what that has to do with the debate. Now that the Minister of Labour has had his little say, perhaps we can get back to the Minister of Transport.

I was saying that this dictatorial power is a hangover from the days when the present Minister of Trade and Commerce was the minister in charge, and that it should be wiped out. There is now no reason why the minister should have a veto over every decision made by the air transport board on an application for a licence.

The air transport board is working under another handicap. When the board was set up in 1944 a provision was written into the act to the effect that the board could not issue a licence to anyone in the transportation business without such applicant first obtaining the approval of the governor in council. That meant that the air transport board could not issue a licence to a shipping company to go into the air transport business, or to a trucking company. The restrictions covered all other forms of transportation business.

The reason was that at that time the present Minister of Trade and Commerce had a battle on with the Canadian Pacific Railway, and had announced as his policy that they would have to divest themselves of Canadian Pacific Air Lines—and, incidentally, that the Canadian National Railways had to get rid of their interest in Trans-Canada Air Lines. That was the policy at the time the air transport board was set up in 1944.

However, the provision is still in the act. It is another hangover from those days when the present Minister of Trade and Commerce was in charge. Government policy has now changed. The Canadian Pacific Railway have been allowed to carry on and greatly to extend Canadian Pacific Air Lines. Canadian National Railways have been allowed to retain their ownership of Trans-Canada Air Lines. But, while the policy has been changed, the air transport board still labours under these restrictions.

We asked the chairman of the board about it, and this is what he said as it is reported at page 272 of the proceedings of the committee:

Mr. Baldwin: Mr. Green, I believe the original statutory restriction in this regard appears because it was felt that some such precaution was required to ensure the fullest possible development of commercial aviation. The reason for that was that it might be possible for a surface carrier to acquire control of an air service which was competitive with it for the deliberate purpose of stifling the air service. That was the fundamental reasoning behind the original restriction, as I understand it, and I do not know that there is much more that I can offer in the way of explanation other than to say that there are alternative methods of taking care of that situation. One of them is the method which parliament took of writing this restriction into the act leaving a way open for exceptions where no harm was going to result. Alternatively—

And I draw attention to this alternative.

—it could be dealt with through the control of licensing but it seems to me that the alternative selected is not a matter for the board to decide but for the government and parliament to decide upon.

And the chairman of the board was quite right in taking that stand. In effect he said, "I cannot do anything about this; it is up to the government". I do suggest the air transport board should not be asked to work under that further restriction.

Then a further restriction is placed on the board by the government. This is what I call the monopoly policy of the government, in so far as aviation is concerned. A discussion of this subject appears at page 251 of the proceedings of the committee, where I questioned Mr. Baldwin as follows;

Q. What is the policy of the board with regard to the control of competition? I understand that you are pretty strict about lines competing on routes.

Does that mean that you decide that one line shall have a monopoly on a route; or, just what does it mean?

A. The policy of the government, as you will recollect, was laid down some time ago to the effect that not more than one "scheduled" air line, to make that distinction, should operate on any one route, and the board has operated within the framework of that general policy in that where we have found that public convenience and necessity require the provision of a scheduled air service only one operator is licensed to perform that service.

Then later on he referred to the non-scheduled field in this way:

When you come to the non-scheduled field the policy is somewhat different. We use our discretion in granting to what we call class two routes which are services on an irregular basis following a regular route pattern. Normally speaking we have only had one carrier on a class two route for the simple reason that we have followed the philosophy which governed the decision regarding scheduled operators.

Mr. Chevrier: Would you read the next sentence, please?

Mr. Green: Yes.

The factor which governs in a situation of this kind is the potential traffic which exists in Canada, and generally it has not been sufficient to justify putting on more than one carrier; otherwise neither would have a chance to succeed.

The point I make is this: Surely if the board is competent, then it should be given full responsibility, without being hedged in by these different restrictions from the government. Furthermore, it has no control whatever over Trans-Canada Air Lines. That provision was set out in the amendment to the Aeronautics Act of 1944, and there is a further amendment in the present bill.

The chairman explained quite clearly just what the position of the board is in connection with Trans-Canada Air Lines. The questions and answers in this connection are found at page 252, as follows:

Q. What control does the board have over Trans-Canada Air Lines?

A. The board is required to grant licences to Trans-Canada Air Lines in accordance with contracts that may be approved between the government and Trans-Canada Air Lines. That having been done, Trans-Canada Air Lines comes within the general rate jurisdiction of the board; and as far as direct control in regard to their licensing goes we exercise no independent jurisdiction. We may be called upon to advise the government with regard to a proposed T.C.A. service, but once a contract is authorized by the government then we are required by statute to grant a licence.

Q. In effect then the operations of T.C.A. are outside of your scope and you have to issue permits for them to fly a route if they apply for it?

A. Except in so far as the period during which the route is being discussed in the first instance is concerned; that is, before the government reaches a decision to operate a certain route; and the practice is that the board is called upon to advise the government as to whether it is a route which the government should designate for operation by T.C.A.

Q. And the T.C.A. routes are designated by the government?

A. That is correct.

Q. And once that has been done the board has no jurisdiction?

A. The situation is virtually the same as when an international agreement authorizing routes is made. In the first instance our role is advisory and in negotiating, but once the decision is made by the government we carry it out.

Q. Which means that you really have no licensing authority in the international field, you act only in an advisory capacity?

A. That is correct, sir.

There again we have the situation where the board is not free to deal, on its merits, with an application by Trans-Canada Air Lines for a licence. They must accept the route dictated by the government. I believe the present Minister of Trade and Commerce said in one of the other committees of the house the other day that he is the man who decides what routes should be flown by T.C.A. So it is not even the Minister of Transport who has that degree of jurisdiction. Here we find an outside minister deciding on the routes and the air transport board really has no discretion or authority whatsoever.

It will be noticed that the chairman said the same was true in connection with international air routes. In effect, the air transport board has no authority over international routes; and the bill before the committee today cuts down the statutory authority the board formerly had in that respect. I believe further that the air transport board will have practically no authority with regard to non-scheduled international services. The other day the minister did not set out government policy with regard to these services. He promised to give us order 15, I think it was, which sets out the powers.

Mr. Chevrier: I have it here.

Mr. Green: We have not received it as yet but I take it from the evidence given by Mr. Baldwin, chairman of the air transport board, that that board will have little authority with regard to international non-scheduled air services. Incidentally it was agreed that these services were becoming of greater importance all the time.

The board has no control whatsoever over private aircraft. I do not know whether it would be possible to give them some authority over private aircraft, but it seems to me—I am not speaking as an expert—that the air transport board should have some control over such aircraft.

That is just a summary of the handicaps under which the air transport board is working. I believe that hon. members generally would prefer to see this board given real authority so that it could carry on as the

present Minister of Trade and Commerce indicated in 1944. Then, the plan was that the air transport board would give leadership in promoting civil aviation in Canada. I do not believe that the board is in position to do that today because of the various restrictions I have mentioned. I do hope that the minister will not be too abrupt in turning down these suggestions or saying that the board has all the authority it needs.

Mr. Chevrier: He never is.

Mr. Green: No. I must admit that he is not as abrupt as some other ministers. These suggestions are placed before him and before the committee with great earnestness, believing that we could further the development of civil aviation in Canada if the air transport board was given additional authority.

Mr. Knowles: The remarks I wish to make I intended to defer until a later section of the bill is before us, but because of what the hon. member for Vancouver-Quadra has said perhaps I should say something at this point. I sympathize with the view of the hon. member for Vancouver-Quadra that the air transport board seems to be getting into a position where its functions are merely perfunctory. However, I must part company with the hon. member when he suggests that the air transport board somehow or other should be divorced completely from government direction and government policy.

My mind goes back to 1944 when this act in its present form was introduced. The hon. member for Vancouver-Quadra and I were both here and we took part in the debate—on opposite sides. It seems to me that there are things that are natural monopolies, such as railroads, electrical services and pipe lines if you will. In certain cases it is not in the public interest to have two lines where one will do the job. In connection with public services, public utilities and natural monopolies of this kind, either there should be complete public ownership or the decision as to what is to take place should be a matter of government policy and regulation. I might quarrel with government policy, and I certainly do quarrel with government policy so far as aviation matters are concerned, especially the way in which the government has gone back on its announced policy, but I support the idea that government policy is necessary in arriving at basic decisions so far as civil aviation is concerned.

The hon. member for Vancouver-Quadra has referred to the basic government policy that was set up during the war years, and in particular with the passing of the Aeronautics Act in 1944. In fact, a year earlier it was made clear by the former prime minister, Mr. Mackenzie King, that the main air lines in Canada were to be operated by the government-owned Trans-Canada Air Lines. It was indicated that the feeder lines and non-scheduled services would be open to private companies. It was also made clear that all international services connecting Canada with other countries were to be operated by Trans-Canada Air Lines. While that particular part of government policy was not written into the statute, it was laid down clearly in a statement by the Prime Minister and confirmed from time to time.

I feel that that policy has been gone back on so far as services in Canada are concerned, notably in that Canadian Pacific Air Lines has been permitted to develop lines which certainly are not feeder lines. Their air line map today looks like a main-line operation. Another point in that policy, namely with respect to international air services, has been reversed by the government. I refer to the Pacific air services. Not only was it spelled out and stated clearly by the former prime minister that all international air services were to be operated by Trans-Canada Air Lines, but when an agreement was entered into between Australia and New Zealand on the one hand and Canada on the other for transpacific services, one of the terms was that so far as the Canadian part of the operation was concerned it would be carried on by the government-owned Trans-Canada Air Lines. The Minister of Transport will well remember the nuisance I was in the session of 1948.

Mr. Chevrier: I do.

Mr. Knowles: I thought the minister was saying that I am always a nuisance.

Mr. Chevrier: Oh, no.

Mr. Knowles: In the session of 1948 I tried to get out of the minister in every way known to me, by questions on the orders of the day, by raising it on going into supply, by questions on the minister's estimates and so on, whether or not there was anything in the widely circulating rumour that the government was going to turn over the Pacific service to Canadian Pacific Air Lines. The Minister of Transport was most adroit in his answers; they were answers that seemed to imply that there was nothing to the rumour, that I was all wrong. However, I remember that it was only a week or ten days after the session when I picked up a paper and lo and behold the Pacific service had been turned over by the government to Canadian Pacific Air Lines. It is that sort of thing that I

quarrel with. I will stand by my basic contention that the policy respecting civil aviation, because it is a natural monopoly, has to be determined by the government. Nevertheless I feel it is unfortunate that the government should get hold of a good policy, announce it, lay it down clearly, and then for some reason or other—not explained—change it in various respects.

Another item of government policy—and the hon. member for Vancouver-Quadra has already referred to this—relates to the announcement by the present Minister of Trade and Commerce in 1944 when he was minister of munitions and supply to the effect that, commencing one year after the end of the war in Europe, all transportation companies operating ground services were to be asked to divest themselves of the ownership of air lines. As the hon. member for Vancouver-Quadra said, the purpose seemed to be to prevent the Canadian Pacific Railway from developing Canadian Pacific Air Lines into a large private system. The minister of munitions and supply, as he then was, made it clear to us that he had had a bit of a quarrel with the Canadian Pacific people, and that he also felt that mistakes had been made in the building of railways in this country which he did not want to see repeated so far as air lines were concerned. He felt it was unwise to allow a corporation such as the Canadian Pacific Railway to build up a huge air lines system.

This policy was not only announced by the then minister of munitions and supply but was also written into a statute, namely, the Aeronautics Act, chapter 28 of the statutes of 1944-45. We had a bitter debate over the policy. The hon. member for Vancouver-Quadra, the hon. member for Lake Centre and others of the Conservative party fought it for all they were worth. There was not much support for it even on the Liberal side. I think that the C.C.F. party probably gave more support to it than the Liberals but at any rate the Liberals voted for it and it was passed. It is spelled out in sections 12, 13 and 14 of the act. There was a decision of parliament to back up the announced policy of the government with respect to that phase of civil aviation.

Time went by, the war in Europe came to an end, and a year or so after I began to wonder when this policy was going to go into effect. I have the necessary data here and may refer to it later when we get to the section, but I remember very well asking the Minister of Trade and Commerce about it one day and he told me very blithely that the date in the act had been changed by order in council. I was horrified at the thought that a statute had been changed by order in council, and I asked the Minister of Trade and Commerce if it had been tabled. He said yes, that I did not know all the orders in council that were tabled and that I had missed that one. I certainly had. I was curious afterwards as to how a statute could be changed by order in council. Therefore I got in touch with the proper officials to try to get hold of the order in council and I soon found out that there was none.

Therefore I asked the Minister of Trade and Commerce very tactfully in a day or two on the orders of the day if he could tell me the number and date of that order in council. His reply was that his officials had informed him there was no order in council, that it had been done by cabinet decision. We had quite a battle over it, if I may shorten the story, because some of us certainly did not think that cabinet decisions were the proper way to legislate. As a matter of fact we could not see how a statute could be changed by an order in council. Later on in the session the present Prime Minister, who was then minister of justice, admitted to me there had been some mistake about the whole matter, and that it was perfectly true that a statute could not be changed by order in council. In other words, the law still stood that surface transportation companies had to divest themselves of the ownership of air lines.

I kept wondering why this was not done, and in 1947 I learned by asking various questions how the government managed to get around the section of the act which they put in there over the bitter opposition of members of the Progressive Conservative party. I found out how they got around the section which was put in there to implement their own policy. They did so by relying on an escape clause in another section which gave the governor in council the power to issue licences to surface transportation companies in exceptional cases. I well remember the time when the Minister of Trade and Commerce told me that there was a block of 53 licences that had to be cancelled under the terms of section 14 of the act, which implemented the policy about which I am talking. All 53 were reissued under the escape or emergency clause in the act. Believe it or not, every case was an exceptional case.

That makes a farce of statute law, Mr. Chairman. It makes a farce of parliament to force it to put in the act a section which the official opposition did not want. I was in favour of it but a section of the opposition did

not want it. A year or so later the government changed its mind mainly because the Minister of Trade and Commerce got on more friendly terms with the Canadian Pacific, and they just decided they were not going to obey the law as it was passed by parliament. We stand up from time to time and ask for certain changes or improvements in various matters and we are told time and time again that these things cannot be changed because they are statutory. We are told the voice of parliament has decided.

Let us understand what is happening. Parliament has reached the point where it decides, through the weight of the government majority, merely what the government wants to put on the statutes, and if the next day the government does not want to go ahead with what it has decided it gets around it in one way or another. When we reach that section of the act we will see that certain sections are now being repealed.

Mr. Coldwell: No wonder the Senate wants to reform the House of Commons.

Mr. Knowles: My leader says it is no wonder the Senate wants to reform the House of Commons. There is one thing on which members of the House of Commons and of the Senate might get together. We might agree that the government needs to be reformed. I will not say anything further at this time. I wanted to make it clear that there are a number of ways in which government policy has been changed from time to time that I dislike intensely. I dislike it particularly when a clear-cut policy has been laid down that appears to be the policy for all time, and then is changed for reasons that are not made clear to us at all.

Even so I cannot agree with the hon. member for Vancouver-Quadra in his suggestion that the air transport board should be an independent judicial body. I feel that matters relating to civil aviation are of such importance that they should be subject to government policy. After all, this is a field in which a great deal is at stake. Aviation does not only play an important part in the development of our country in transportation, communications and so on; it is also a field in which the protection of life and safety measures are of extreme importance. I am satisfied it is not a field in which there should be the kind of unrestricted competition that some of our friends to the right would like to have. When you go in for that sort of thing you decrease the safety factor as competing lines try to get ahead of one another. I am all for aviation being a matter of government policy but I want government policy to be the right one. When the government has achieved the right policy I want them to stick with it and not flout it in contempt of parliament, as has been the case from time to time, these past four or five years.

Some hon. Members: Carried.

Mr. Green: Is the minister not making any reply to the points I raised?

Mr. Chevrier: I have covered most of the matters referred to by my hon. friend, and perhaps they could be dealt with more specifically as we come to the sections.

Mr. Green: Then will the minister explain the division of work as between the aviation branch of the Department of Transport and the air transport board? For instance, the hon. member for Winnipeg North Centre has just mentioned safety precautions. It is my understanding that the air transport board has nothing whatever to do with that matter; I believe it comes under a branch of the Department of Transport, though in 1944 the present Minister of Trade and Commerce stated that the board would have the duty of assigning airworthiness certificates. As I read the provisions now, however, that work is done by the department, not by the board. It would be helpful if the minister would make clear the division of authority as between the department and the board.

Mr. Chevrier: Section 1 is a simple amendment changing the name of the Minister of National Defence for Air to that of the Minister of National Defence. It has nothing to do with the division of duties as between the board and the department. The statement made by the hon. member for Vancouver-Quadra a moment ago, that airworthiness certificates were to have been issued by the air transport board, is erroneous. Those certificates are given by the officials of the Department of Transport, through the minister. The only purpose of this amendment is to change the designation minister of national defence for air, as that office no longer exists, to the Minister of National Defence, as the latter is the authority in respect of military airports. A division still exists in that certain airports which are military remain under the Department of National Defence. Over those airports the Department of Transport has no jurisdiction. That is the only reason for the amendment.

Mr. Green: The section provides:

> . . . the Minister of Transport or such other minister as the governor in council may from time to time designate . . .

Apparently the Minister of Transport has some powers under this act, while others are not exercised by him but by the present Minister of Trade and Commerce. Just how is it possible to divide the powers in that

way? I find that the report of the Department of Transport lists the boards, commissions and government-owned companies coming under the minister. We have a group starting with the air transport board and ending with Trans-Canada Air Lines and Trans-Canada (Atlantic) Air Lines. Then in the list of acts administered by the Department of Transport I find the Trans-Canada Air Lines Act. In this bill there is reference to agreements made by the minister with Trans-Canada Air Lines, and the air transport board has to carry out whatever terms are contained in such agreements. Incidentally, in the Trans-Canada Air Lines Act the minister is defined as the Minister of Transport, yet apparently the Minister of Trade and Commerce has complete control over Trans-Canada Air Lines. Just how is it possible to make that division, when the act reads that it shall be the Minister of Transport or such other minister as the governor in council may designate? Surely if some other minister is to be designated under the act, that other minister should take over the whole act, instead of having only one or two sections.

Mr. Chevrier: I think we will get along much faster and much more satisfactorily if we deal with the sections as we go along. In the questions my hon. friend has put to me he has touched upon at least four sections to which we will come later on. Dealing with the first section which we are discussing at the moment, the Minister of Trade and Commerce has no authority thereunder. I said so when we were discussing the principle of the bill on second reading, and I repeat it now. The Minister of Trade and Commerce has jurisdiction over Trans-Canada Air Lines, by virtue of the transfer of duties act, but he has no jurisdiction in respect of ministerial powers contained in part I of the Aeronautics Act. Neither has he jurisdiction in regard to the powers of the air transport board, which are contained in part II. So, dealing briefly with the first question, under section 1 of this bill the Minister of Trade and Commerce has no authority or jurisdiction over civil air matters.

Mr. Knowles: Is there any need to carry forward in this section the words "or such other minister as the governor in council may from time to time designate"? I ask the minister to think of this seriously and carefully. When this legislation was brought in, back in 1944, it was the desire and intention of the government that the minister to be designated would be the Minister of Trade and Commerce; hence these words were necessary at that time. At a later date, however—I forget just when it was, but around 1946 or 1947—the government decided to transfer the administration of this act from the Minister of Trade and Commerce to the Minister of Transport. Most other acts do not contain phrases of this kind. There is a transfer of duties act which enables the government to make transfers that had not been anticipated, and it does seem to me, since other phrases or sections of this act are being cut out because their usefulness has ended, that the same is the case here and that the words I have indicated should be deleted. All we require is the provision:

> In this part, "minister" means the Minister of Transport, except that in any matter relating to defence, "minister" means the Minister of National Defence.

Mr. Chevrier: There is a very definite reason why those words should be retained. In the past the government has decided to assign responsibility for the Aeronautics Act to other ministers. My hon. friend was inadvertently in error a moment ago when he said these duties had been assigned to the Minister of Trade and Commerce. They were first assigned to the Minister of Munitions and Supply, and later on to the Minister of Reconstruction and Supply.

Mr. Green: They were the same man.

Mr. Chevrier: And at a later date they were assigned to the Minister of Trade and Commerce.

Mr. Green: Still the same man.

Mr. Chevrier: It has been indicated to me that they were not under this act assigned to the Minister of Trade and Commerce but were returned to the Minister of Transport, where they were originally. The air services branch is one which it might be found advisable at some time or other to assign to a minister other than the Minister of Transport, and for that reason I think it is advisable to retain the provision.

Mr. Graydon: It seems to me that if the minister were sitting on this side of the house, as perhaps he will be before long—

Some hon. Members: Oh, oh.

Mr. Chevrier: I do not see any sign of it.

Mr. Graydon: I did not want to start an argument. If he were on this side I think he would be the first to try to smoke out the government on the question of why the Minister of Transport does not handle all the transport end of the government enterprises. That is what the public find very confusing. As the minister said a few moments ago, first it was in the hands of the minister of munitions and supply, then the minister of reconstruction, and then the Minister of Trade and Commerce. To the public that might seem like quite a change

from time to time; but to us, who know that those portfolios have been held by the one man who is now the Minister of Trade and Commerce, it is not so convincing an argument. I should like to ask the minister why it is that he has not jurisdiction over all transportation affairs?

Mr. Chevrier: The answer is that the Minister of Transport has jurisdiction over all matters concerning aviation under the Aeronautics Act, save and except the subsidiary of the Canadian National Railways, T.C.A.

Mr. Graydon: Why have you not got that?

Mr. Chevrier: The government has decided, as I explained the other evening, that that should be in the hands of the Minister of Trade and Commerce. While I am dealing with that matter, I might refer to one of the points the member for Vancouver-Quadra has brought up. He says that the air transport board should be an independent body, and should have far more power than it has.

Mr. Green: In its judicial functions.

Mr. Chevrier: He says the minister has too much power in a judicial capacity. The other evening the leader of the opposition said the minister did not have enough power, and should have under his jurisdiction T.C.A., which is the same argument the member for Peel is making. The minister cannot have too much power and not enough at the same time. It is either one thing or the other. In answer to the question, I say that the government has decided that Trans-Canada Air Lines should be responsible to another minister.

Mr. Graydon: That is just drawing a red herring across the trail. It has nothing at all to do with the point I mentioned. I cannot see that it makes any difference, from the standpoint of the argument advanced by the member for Vancouver-Quadra, to the point I have been making. It seems to me the cabinet ought to tidy up its own household and put the affairs of transport under one minister. I cannot see why there should be a residue of the cabinet estate left in the hands of another minister. I should think the Minister of Transport—

The Chairman: That is out of order.

Mr. Graydon: Surely, Mr. Chairman, we have not come to the position where we cannot discuss the cabinet.

Mr. Chevrier: So far as I am concerned the members can discuss anything, but I do wish they would keep to the section with which we are dealing. It provides for changing the designation minister of national defence for air to the Minister of National Defence.

Mr. Graydon: Surely I am right on the beam so far as this section is concerned, because it says:

> In this part, "minister" means the Minister of Transport or such other minister as the governor in council may from time to time designate . . .

I think we ought to have transport matters under the Minister of Transport, and that is all I shall say about it.

Mr. Green: The Minister of Transport has just given us a reason why the Minister of Trade and Commerce should not have charge of a commercial air line, the Trans-Canada Air Lines. It is a subsidiary of the Canadian National Railways, and the Minister of Transport has charge of that railway. Why should he not, therefore, also have charge of Trans-Canada Air Lines? I am afraid the position is that the Minister of Trade and Commerce will not give up Trans-Canada Air Lines, and the cabinet is afraid to make him do so.

Mr. Chevrier: If my hon. friend knew what the facts were, he would not make that statement. The position is far from that. The government has decided the Minister of Trade and Commerce shall have jurisdiction over Trans-Canada Air Lines. If the government decides otherwise, it will announce the policy.

Mr. Green: You mean when he decides otherwise.

Mr. Knowles: It seems to me the members on my right are confusing things here. This section does not deal with the question as to what minister has charge of Trans-Canada Air Lines; it deals with what minister has charge of the Aeronautics Act. My point is that the supervision of this act has now got to the right place, the Minister of Transport. Surely, it is not going to be turned over to the Minister of Public Works or any other minister.

Mr. Fournier (Hull): You never know.

Mr. Graydon: Wait until the Minister of Trade and Commerce returns from England.

Mr. Knowles: There are no other ministers in the house at the moment to whom it could be turned over.

Mr. Fournier (Hull): There are not many members in the house, either.

Mr. Knowles: There are not many over there.

Mr. Fournier (Hull): Nor are there many on your side.

Mr. Knowles: My point is that the government has now brought the supervision of the act to the Minister of Transport where it belongs.

Section agreed to.

On section 2—*Duties of minister.*

Mr. Green: The explanatory note says:

This amendment is intended: To include the increasingly important field of non-scheduled international air services.

In the committee the other day the minister was unable to give us a statement of government policy with regard to this particular service. Could he explain that policy to us today?

Mr. Chevrier: Mr. Chairman, the section with which we are dealing is section 2 (h) which gives the minister power to take such action as may be necessary to secure, by international regulation or otherwise, the rights of His Majesty in respect of his government of Canada in international air routes. It is now sought to change those words "in international air routes" to "in international air traffic" because it is a broader term and takes in more ground—perhaps I should say more air.

The object, as is set out in the notes, is to include the increasingly important field of non-scheduled international air services. In giving his evidence before the committee the other day, the chairman of the air transport board explained that there was a policy governing that, but it was an interim policy. It was contained in a circular that had been given out to the various air carriers. I have that circular with me, and I shall be glad either to table it or to send it over to the hon. member.

Mr. Green: Could the minister not give us a summary of the policy? It was pointed out in the committee the other day that these services are becoming of great importance, because there are commercial planes flying over the boundary with private parties. For example, they are taking parties on fishing or hunting trips, or bringing over tourists. Apparently it is a development that has taken place within the last year or two. There is a great deal more of that kind of traffic each year, and members will see that it involves such questions as the game regulations. All sorts of difficulties crop up as a result of those services. I think it is of sufficient importance for the minister to give us a summary of government policy with regard to these non-scheduled international air services.

Mr. Chevrier: The matter to which my hon. friend refers now, particularly wildlife conservation, is covered by amendments on page 5, section 7. This amendment simply changes the words "international air route" to "international air traffic", because international flying now comprises a large volume of non-scheduled traffic which does not conform with any route pattern such as it did under the former section. The change will mean that the minister will now have powers which will apply to all international air traffic, whereas before they only applied to certain routes on which there were prearranged schedules approved by the board.

I am informed there is a legal interpretation which has some bearing on the change. Lawyers seemed to feel that "scheduled route" did not cover as much as "scheduled traffic". Because of the rapid development of aviation, the words "air route" take in a far greater field.

Mr. Green: That is all very interesting, but it does not deal with the question I asked. The explanatory note of this particular subsection reads:

This amendment is intended: To include the increasingly important field of non-scheduled international air services.

It obviously does that because it changes the word "routes" to "traffic" so that the non-scheduled flights would now be included. At the conclusion of the sittings of the committee the other day the minister assured us that the government has a policy with respect to this particular kind of traffic. I should like to know what that policy is; or if the minister wants to place the statement on *Hansard*, that is quite satisfactory to me. I think the committee is entitled to some explanation of the policy.

Mr. Chevrier: I told my hon. friend that I would give him this circular, and I will do it now. I think there has been a misunderstanding as to what I said in the committee. There is a full discussion reported in the evidence. I think the evidence will bear out that my statement was to the effect that the policy concerning these non-scheduled international air services was not yet clarified, that there was not a fixed policy, but that there was an interim policy based on the advice given to the government, which was adopted and laid down by the air transport board by circular No. 15. It is fairly lengthy though, so I would rather give it to my hon. friend than read it. But here will be found the present position with regard to the international non-scheduled air services.

Mr. Green: Why not put it on *Hansard*?

Mr. Chevrier: If the committee has no objection, I have none.

The Chairman: Is it the pleasure of the committee that this document be put on *Hansard*?

Some hon. Members: Agreed.

Mr. Chevrier: The circular reads:

AIR TRANSPORT BOARD

Circular No. 15

Operation of commercial air services to and from Canada by foreign air carriers other than agreed services on specified routes by designated air lines

The information to be furnished and the procedure to be followed by foreign air carriers who wish to operate commercial air services, to or from Canada, other than agreed air services operated on specified routes by designated air lines, is laid down in air transport board circular No. 14, which became effective May 15, 1949. This supplements the said circular and outlines the policy which is followed by the air transport board in dealing with applications for permit to operate commercial air services to and from Canada.

When the proposed movement is between Canada and a country with which Canada has a bilateral air agreement providing for agreed air services between the two countries—

(a) The board believes that the appropriate designated air carriers of the two countries have primary rights to the carriage of traffic between those two countries and requires to be satisfied that one or other of such designated air carriers is not in a position to furnish the proposed transportation on a reasonable basis;

(b) If the appropriate designated air carrier of one or other of the countries is not in a position to furnish the proposed transportation, the board prefers that the traffic be carried by some other air carrier of one of the two countries;

(c) If the board is satisfied that one air carrier of one country or the other is unable to furnish the transportation on a reasonable basis; and if the board is satisfied that the transportation applied for would be in the public interest, then it is prepared to grant a permit to the air carrier of a third country;

(d) Any large movement involving frequency, regularity or volume, is reviewed with care. When the applicant is a carrier of a third country, the board would refuse a permit unless satisfied that the traffic should be moved by air carrier of a third country and in such cases may require either association with an appropriate designated air line if any, or some other form of direct governmental sponsorship from one of the two countries involved;

(e) In dealing with applications from foreign air carriers under the foregoing principles, the board takes into consideration primarily the position of the Canadian air carriers, assuming that the other country from, or to which the proposed movement is to take place, will protect the interests of its own carriers.

(f) In all such cases the board reviews the proposed charges and conditions of carriage to make sure that they are just and reasonable.

When the proposed movement is between Canada and a country with which Canada has no bilateral agreement—

(a) The board requires to be satisfied that it is in the public interest that the transportation be furnished by an air carrier other than the designated air carriers whose combined services connect Canada and that country.

(b) If the board is so satisfied, preference would normally be given to carriage by either a Canadian carrier or a carrier of the country to or from which the traffic is moving. A reasonable liberal attitude is taken towards applications from the carriers of third countries for occasional flights. In the case of large or frequent movements however, the board takes the general attitude indicated in 2(d) above.

(c) A rate review on the basis indicated in 2(f) above also takes place.

Air Transport Board

Gerald Morisset,
Secretary.

Ottawa, Ontario,
August 31, 1949.

Section agreed to.

On section 3—*Powers of minister to make regulations with approval of governor in council.*

Mr. Green: The explanatory note dealing with new clause (d) reads:

This amendment is intended: To mark clearly the application of the paragraph to the use and operation of aircraft as distinguished from the economic regulation of commercial air services.

That raises a question as to where the boundary is between the work done by the minister and his aviation branch and the work of the air transport board; because the air transport board deals with economic regulation of all commercial air services. A few minutes ago, when I asked the minister to explain just where the boundary was, he said he would wait until he got to a section of the bill; and I think this is the section on which that answer should be given.

Mr. Chevrier: A while ago the hon. member made the point that the air transport board did not possess sufficient power and authority, that it should have more power and authority, and that it should not be subject to the approval of the minister with regard to the granting of licences; and he argued in favour of a completely independent board, as did his leader the other evening, I think.

Mr. Green: That is dealing with the judicial functions.

Mr. Chevrier: Yes. There is a reason why that situation should be as it is, because the air transport board has to deal with a problem which is entirely different from that where there would be nothing but independent air carriers, as in the United States, for instance. In Canada the largest operator is a government-owned air line, and I think it would be improper for the board to have exclusive powers such as my hon. friend argues for with reference to a government-owned body such as T.C.A. In other words it is felt that the board should have powers to advise on routes concerning T.C.A., and powers to advise economically as it does, but that there should be a limitation, as is set out in the amendment, because of this special position in respect of T.C.A.

My hon. friend asks for a division of the powers as between the departmental officials

and air transport board officials or as between the minister and the board. They are fairly clearly set out in part I as opposed to part II. In committee the other day I think I gave at some length the functions of the air transport board and the duties of the air transport board under the various sections. This section seeks to change the words:

The conditions under which aircraft may be used for carrying goods, mails and passengers, or for the operation of any commercial service whatsoever;

To:

The conditions under which aircraft may be used or operated; . . .

So that there will be a distinction between the powers of the department or the powers of the minister and those of the board. In the language used before, among the departmental officials there was some feeling that there was an impingement of the duties of the board, and the amendment is sought to clarify the duties as between the board and the department.

Mr. Green: When I was speaking on section 1, I mentioned the government policy which restricts competition on these different routes. That apparently is underlying government policy not set out in any statute, order in council or directive but which, according to the chairman of the air transport board, is obviously considered by him to be binding upon the board. Can the minister give us any clarification of that particular policy and tell us whether or not there is any other policy of some kind which is not written into the statutes or not in an order in council but which, nevertheless, is recognized as government policy in the field of civil aviation?

Mr. Chevrier: In the committee the policy was gone into at some length. It is somewhat technical, and I do not know that I should like to give it again. It can be found in the evidence. But the board follows the government policy. That policy has been announced in the house here on more than one occasion.

Mr. Green: You are referring to the policy announced in 1944, are you?

Mr. Chevrier: I think it was 1943.

Mr. Knowles: Yes, 1943.

Mr. Chevrier: In 1943, dealing with domestic scheduled routes, and that not more than one carrier should operate on any one route. I think my predecessor did announce that at that time. The board follow that policy, of course. But more than that, the board are in agreement on that policy and believe that it is correct. Otherwise the board could, under its advisory powers, make recommendations to the contrary to the minister who would take it up with his colleagues in the cabinet in order to ascertain whether the policy should remain as it is or be amended.

Mr. Green: Then on page 3, clause 6, we find this provision:

Any regulation made under subsection one may authorize the minister to make orders or directions with respect to such matters coming within this section as the regulations may prescribe.

The explanatory note at the side is as follows:

Minister may carry out regulations by ministerial order or direction.

We went into that at length in committee, and I think it will be agreed that what is sought here is power for the minister to issue directives which will have the same force and effect as if they were regulations and, of course, would carry the same penalty.

Hon. members will find at page 3 of the bill a new provision for penalties, where it is indicated that the penalty may be $5,000 or imprisonment for a term not exceeding one year, or to both fine and imprisonment. That punishment is to apply to the directives issued by the minister, just as it applies to the regulations passed by the governor in council. I do not think that is giving the person who may be fined or put in jail a fair run for his money. I say that for these reasons:

Under part III of the Aeronautics Act all regulations have to be published in the *Canada Gazette;* furthermore they must be laid before the House of Commons within ten days after publication, if parliament is then sitting or, if parliament is not sitting, within ten days after the commencement of the next ensuing session thereof. This means that parliament took care to give the public a chance to know what the regulations are. That is as it should be, because it is a serious thing to put a man in jail for a year.

If the minister has to issue directives covering certain conditions which may arise, then there should be some different sort of punishment for breach of those directives, rather than making the culprit subject to fine up to $5,000, or to imprisonment for a year, or both fine and imprisonment. The minister is given wide powers to cancel or suspend licences. If these directives are issued and then are not followed, I believe it would be sufficient punishment to suspend a licence for a time, or even to cancel it. But, instead of that, a breach of these directives is made just as serious as a breach of the regulations; yet there is no provision for publicizing directives, and there is no way in which it can be made certain that the people in this business will know what directives have been issued.

For that reason I would urge that the minister make provision in the act whereby punishment for a breach of the directives shall not be the same as that for a breach of the regulations.

Mr. Coldwell: Is there any difference between regulations, orders and directives?

Mr. Green: If this amendment is passed as it now stands there will be no difference in the punishment for a breach. The section indicates, as explained in the side note, that the minister may carry out regulations by ministerial order or direction. I think the proper procedure would be to issue a new regulation. It does not take long, because regulations could be passed by the cabinet within a matter of a few days. But this amendment goes further than that. He may issue a directive, then the day after this amendment is passed if that directive is not complied with the person guilty of the offence can be dragged into court and fined or imprisoned.

Mr. Coldwell: If that is so, it seems to me that the hon. member for Vancouver-Quadra has raised an important point. I am not a lawyer and not given to interpreting some of these legal phrases; but I am just wondering about a provision whereby the minister is authorized to make orders and directions with respect to such matters as come within this section, as the regulations may provide, and then the further provision which states that:

> Every person who violates the provisions of a regulation is guilty of an offence and is liable on summary conviction to a fine not exceeding five thousand dollars, or to imprisonment for a term not exceeding one year or to both fine and imprisonment.

If the interpretation placed upon the section by the hon. member for Vancouver-Quadra is correct, whereby the minister may issue a directive or order which would not be confirmed by an order in council, as a regulation would be, and to which no publicity is given, then it seems to me the hon. member is right in his criticism of this proposal. Would the minister given an explanation of it?

Mr. Graydon: If I may be permitted to make an observation on the same point, I suppose the minister and his officials have perhaps surrendered to one of the inevitable trends of human nature, that of trying to find an easier administrative way to handle the situation quickly, even though it may be at the expense of the public generally.

This situation takes us along the road of order-in-council government just another mile, it seems to me—only it takes us along the road not only in daylight, but another mile in the dark. I say that because if this amendment is accepted the minister may, if he wishes, prosecute someone who has not even learned that he is violating the law, and has no way of finding out what law he is violating.

Mr. Chevrier: No, that is not so.

Mr. Graydon: As I read the section it is so.

Mr. Chevrier: No.

Mr. Graydon: Unless one happens to be in the cabinet, one will not know what the law is—and there are not many in the cabinet, even though there are a number on the opposite side of the chamber who would like to find themselves there.

Mr. Chevrier: Would the hon. member be a little more serious.

Mr. Graydon: I am sorry that this section is not a little more serious, because the position the minister has taken today reflects a mentality, so far as the government is concerned, that is anything but serious when dealing with the ordinary public.

Mr. Chevrier: Oh no.

Mr. Graydon: I suggest that before this section is carried the committee should be told just where we are going. Not only are we travelling in the dark; we are going in the opposite direction to that which I think the public wants us to follow. The public does not want us to place more authority in the hands of the executive, but rather to bring the procedure of law-making back into the parliamentary system whereby the representatives of the people shall have some control over the laws the people must obey.

The minister should further consider whether in the final analysis he requires anything like this amount of power. This is adding more fads and frills to order-in-council government that the public would not like to have—and I do not like it, either.

Mr. Chevrier: I was going to say that perhaps if we were to get back to a somewhat calmer discussion of the section we would make greater headway. The questions asked were normal ones, and I should like to answer them to the satisfaction of the committee. I believe the committee is entitled to know just what the section means and how it will work, and I shall try to give that information.

Section 4 of the present act says that with the approval of the governor in council the minister may make orders and regulations with respect to licensing pilots, registration and identification of aircraft, stating conditions under which aircraft can be used for carrying goods, the conditions under which goods may be exported or imported, and the

like. The moment those orders in council are passed they are gazetted and are open for public inspection.

This section goes a step further, I must admit, and provides:

> Any regulation made under subsection one may authorize the minister to make orders or directions with respect to such matters coming within this section as the regulations may prescribe.

The officials of the department think that that is necessary. I think the committee should know that there are times when because of emergency or urgency it is impossible to move quickly enough by means of an order in council. I could give some examples. An accident occurred to a Moth aircraft in which a passenger was killed and a pilot injured, as the result of the aircraft getting into a spin at low altitude because of jammed controls. The operators and pilots of this type of aircraft were cautioned to see, first, that the passenger's safety belt is fastened; second, that the control column and rudder connections are removed; and, third, that the control box cover is fastened in place. The circular is sent out making it mandatory that these things be done for the protection of the passenger flying in that type of aircraft. That is not done by order in council because it would take too long.

Mr. Green: How long would it take?

Mr. Chevrier: Anywhere from four days to two weeks or even longer depending upon the amount of work the government had at the time. There are a number of other examples I could give which might be more important than this one. There are thousands of circumstances in which it is important to issue orders and directives. If it were necessary to ask the minister to get an order in council and submit it to cabinet it would take a considerable amount of time.

Here is one having to do with the condition of the airstrips at Gander. During a certain period of the year when the frost comes out of the ground planes weighing above a certain tonnage may not land on the airstrips. The frost comes out of the ground quite suddenly and if it were necessary to get an order in council through before the directive or circular was issued, it would take too long. It is necessary that this be done by a directive or order.

Here is another case where it is provided that no person in an aircraft shall carry out acrobatic flying over any city or town or populous district. Second, shall not carry out any acrobatic flying or exhibition flying over any regatta, race meeting or meeting for public games or sports except when specially arranged for in writing by the promoters of such regatta or meeting and authorized by the minister. Third, shall not carry out any flying which, by reason of low altitude or proximity to persons or dwellings, is dangerous to public safety.

Many accidents have taken place because of a breach of this order. This order has not the force of law; it has only the force of a circular.

Mr. Coldwell: It seems to me that in the cases cited, particularly this last one, it would be quite simple to have a regulation. I am not so sure about the one dealing with the frost at Gander or perhaps the danger disclosed in connection with flying in Moth aircraft, but in a case of wide application I cannot see the force of having an order rather than a regulation.

Mr. Chevrier: That may be so, but I am told that these orders and directives that are put out in circular form run into the hundreds. I have quite a number of them here and could go on and on. While the hon. member for Vancouver-Quadra took exception in the committee the other day to this amendment, I think the feeling generally was that these orders and regulations were of such importance that they should be given the effect of law. It is not something new. If the committee is surprised at what appears to be the granting of powers that are said to be out of the ordinary, let me say that this is done under the Customs Act as well as under the Animal Contagious Diseases Act. It is done in the United Kingdom where they have had far more experience than we. I can assure the committee that it is not a question of taking powers that seem to be irregular and out of the ordinary.

If it were possible to pass an order in council to cover each case, I think it should be done. But it cannot be done as it would be too cumbersome. For that reason the officers of the department have suggested that we should follow what has been done in the Customs Act and the Animal Contagious Diseases Act and give the force of law to orders and directives. There is no secrecy about these orders and regulations, and I hope the committee has not got that impression. They are circulated to all fliers and to all owners and operators of air lines because we want to give them as much publicity as possible. It is important that publicity be given to them; that they should not be kept hidden.

Mr. Diefenbaker: Does the minister sign these directives himself?

Mr. Chevrier: As it is now, I do not sign them; they are sent out as circulars. If this amendment passes, yes, I would sign them.

Mr. Diefenbaker: There will be none put out except as signed by the minister?

Mr. Chevrier: The minister or the deputy minister.

Mr. Diefenbaker: The minister. He is the one who takes the responsibility.

Mr. Chevrier: Yes, they would be signed by the minister.

Mr. Knowles: Do I understand that so far these orders and directives do not have the force of law?

Mr. Chevrier: That is right, and they do not have to be obeyed.

Mr. Knowles: The department and the minister feel that they should be made obligatory by order in council?

Mr. Chevrier: That is right.

Mr. Knowles: I notice it is suggested that the penalty for infractions of these regulations be increased from $1,000 to $5,000. Is that because there has been too much disregard of some of these orders and regulations?

Mr. Chevrier: There are two reasons for increasing the penalty. First, it was thought that the penalties for infractions of sections under part I of the act should be the same as the penalties for infractions under part II. Another reason is that there have been some infractions, although I cannot say that they have been numerous, and it was thought desirable to have a higher penalty.

Mr. Knowles: Has the minister any information as to the number of infractions and what class of operator has been most guilty?

Mr. Chevrier: I have not that at hand, but I can get it.

Mr. Green: I suggest that this is moving in a very dangerous direction. The minister has said that there are hundreds of directives. If they are to be issued in this easy way then several results will follow. One will be that practically everything will be done by directive. There will be no incentive to have regulations. It is so much easier simply to draw up an order and have the minister or deputy minister sign it, and that will be the normal course followed. I suggest it will mean a good many more directives than there would be if some restriction were placed on the power to issue orders of this kind.

Surely there should not be the same penalty for breach of a directive as there is for breach of a regulation. For example, if the section is passed in its present form, a person can be given the same punishment for breaking one of these ministerial directives as he would receive for operating a forty-passenger plane without a commercial licence. The penalty is exactly the same. In the standing committee we asked general counsel for the department whether or not it was the intention that there should be prosecutions under these directives. At page 262 of the proceedings of the standing committee on railways, canals and telegraph lines, he said:

> I think that would have to depend on the regulations themselves. And if the regulation said that certain directives of the minister had to be complied with, then I would think that non-compliance with the directives would involve a breach of the regulations which would result in a possible prosecution. It might come back to the regulations themselves and be treated as a breach of regulations.

Mr. Coldwell: That would have to be decided by the court, and would the court not take into consideration how serious the breach was?

Mr. Chevrier: Just as in any other summary procedure.

Mr. Green: If parliament passes this section it will be making a breach of the directives as serious a matter as a breach of the regulations, and crown counsel will be within his rights to argue that before the judge. I suggest that the penalty for a breach of these directives should be different from the penalty for a breach of the regulations. For example, the minister already has power under the act to suspend a licence. If he finds any flier or firm committing a breach of the terms of a directive then he can meet that situation by suspending the licence. In fact that would probably be just as effective as if court action were taken. It is going very far for parliament to say that it will give the minister the authority to issue an order, a breach of which carries exactly the same penalty as a breach of the regulations which must be approved not by one minister or one deputy minister but by cabinet. Regulations have the judgment of other members of the cabinet, are then duly published, and people all over the country have some chance to know that there is such a regulation in force.

I do not think there can be any justification for putting a ministerial directive on the same basis as a regulation passed by order in council. If the amendment is passed in its present form that is exactly what parliament is doing.

Mr. Chevrier: The hon. member suggests that perhaps we would be better off by suspending the licence. I think we would be far worse off if we were to suspend the licence. We have given this matter very careful consideration. I can imagine what would happen if, because of a breach of these orders, the licence was suspended.

Immediately there would be a great cry, "We did not get a chance to defend ourselves before the licence was taken from us". When there are automobile accidents on highways drivers' licences are not suspended without other things being done first. First of all a charge of criminal negligence, speeding or something else, is laid in a police court. If the magistrate so wishes he may, over and above fining the individual or imposing a prison term, suspend his licence. We can also do that, but I think it would be a mistake to suspend the licence without other action being first taken. It would be going much further than we would sometimes wish to go.

The other point raised was as to placing a directive, so far as fine or imprisonment is concerned, on the same basis as a regulation. The fact is that some of the orders and directives made under order in council are far more important, and the breach thereof is far more serious, than some of the regulations made under order in council. That is the reason why it has been found necessary to do this, and it seems to me that it is the proper thing to do under the circumstances.

Mr. Diefenbaker: Mr. Chairman, I listened to the minister with some interest when he said that the same provision was in the Animal Contagious Diseases Act and in the Customs Act. Would he mention the sections of the Animal Contagious Diseases Act and the Customs Act to which he made reference, and would he also read in full the sections to which he refers?

Mr. Chevrier: I do not have them before me but I am informed, so that there will be no doubt about my sincerity of purpose—

Mr. Diefenbaker: I know that.

Mr. Chevrier: I am informed by the Department of Justice that similar provisions are contained in the Animal Contagious Diseases Act and other statutes whereby orders and directives are made under authorized regulations. I cannot point to the section but if I got the act I presume I could. I am informed on good authority that such is the case.

Mr. Diefenbaker: The minister says that it takes from four days to two weeks to pass an order in council. I think that is rather longer than it takes.

Mr. Chevrier: Mr. Chairman, I do not think the hon. member wants to put words in my mouth.

Mr. Diefenbaker: That is what you said. If I misinterpreted the minister—

[Mr. Chevrier.]

Mr. Chevrier: If I said that, perhaps I did not use the correct language. It does not take from four days to two weeks to pass an order in council. It takes a very short time to pass an order in council, but it takes from four days to two weeks before an order in council can be considered. It has to be prepared, it has to be brought before the subcommittee of cabinet dealing with it. There might not be time at the particular meeting dealing with orders in council to consider all of them, and it is held over for another meeting.

Mr. Diefenbaker: What is the average number dealt with per day?

Mr. Chevrier: It is not a question of per day; it is a question of per meeting. It might be 5,000. I am advised on some occasions there have been as many as 5,000.

Mr. Diefenbaker: Mr. Chairman, this is even worse than I thought it was. Certainly it shows the extent to which orders in council, including of course treasury orders, are passed. I have been trying to help the minister.

Mr. Chevrier: May I say that my reference was to 5,000 a year.

Mr. Diefenbaker: Of course it is a great many more than 5,000 a year. As a matter of fact it must run to five times 5,000 at the very least. I have not the latest figures but I am very much interested in the rather easy manner in which the minister brushes aside all objections raised by the hon. member for Vancouver-Quadra. He gave certain examples where haste was necessary. One example was low flying. Surely that must be an offence now under the regulations. That example did not appeal as a basis for having laws made by officials of the department. This looks like a short cut suggested by officials in order to get things done without having laws made, either by order in council or through parliament.

To say that the penalty is the same in a directive as in a regulation constitutes a serious derogation of legislative authority. It means that two or three officials of the department can simply make out such a directive as appeals to them at the moment, hand it to the minister and say, "We need action on this immediately." This is not going to apply retroactively; therefore I see no reason for this haste. This is not done in the United Kingdom. Only the other day I was reading a debate that took place in the House of Lords, and this is one thing that is simply not done. Within the last ten days, speaking in the House of Lords, Viscount Cecil of Chelwood used these words:

The growing power of the cabinet is a danger to the democratic constitution of the country.

He was referring to the power of the cabinet to issue orders in council. This amendment places authority over the liberty of the subject in the hands of officials, who may decide that they are in a rush for action and issue a directive to meet their own desires thus penalizing the individual. Viscount Simon dealt with the matter also, and used these words:

> The rule of law has largely ceased to protect citizens of this country over a wide range of rights and liabilities.

That is just what these orders and directives would do. This amendment will give an official in this department power to say to one person, "I issue a directive making it an offence in your case punishable by a heavy fine, whereas it does not apply to another person." This denies the rule of law and equality as between individuals, and I am surprised that the minister presses this amendment so assiduously. After all, he has tremendous powers under section 4, providing for almost every eventuality, certainly everything contemplated by the minister at the time the act was passed. There would be no abnegation of authority if the minister were to withdraw this amendment. When I first heard my hon. friend and colleague dealing with the matter I could not conceive that the minister had gone so far. Surely this power is not needed. He mentioned as an example the frost going out in Gander airport. Well, I would imagine the frost goes out there at about the same time each year. That may be an unusual case, but surely one unusual case does not justify parliament absolutely abdicating its legislative authority and putting in the hands of one official power over the liberty of the subject. This is a request on the part of the minister to put officialdom in a position where, if they see something wrong, even if it is but a peccadillo, they may decide to issue a directive and impose punishment by means of a fine not exceeding $5,000 or one year in jail.

Punishment like that should not be within the discretion of an official in the department. Coming back to my main objection, apart from those raised by my hon. friend, this places the minister or his officials in a position where they can discriminate, where they can continue to deny the application of the rule of law, where they can pass laws to meet peculiar situations and make individuals liable to the penalties set out. I suggest to the minister that, in the interests of the preservation of the rights of the individual against unjust or tyrannical directives, this amendment should be withdrawn.

As a matter of fact it is interesting to note that in the explanations the reason for asking for this amendment is this:

> To provide for proper enforcement of detailed safety procedures requiring frequent change . . .

In other words we may have one law today and another tomorrow, not based upon the considered judgment of the minister but upon the caprice of the moment. Tremendous improvements have been made within the last two years in this country in connection with order in council government. The Prime Minister has gone so far as to have orders in council regularly tabled, and legislation now before parliament will increase the opportunity of the individual to ascertain what is the law. Having this in mind, this section is actually a retrograde step. Such authority should not be in the hands of officials who at a given moment may be antagonized by the attitude of one person and who, without intending to do so, still have power to discriminate.

Knowing the minister as I do I feel sure that on reconsideration he will withdraw this amendment. He has very wide powers already under section 4. This amendment will simply give him and his officials carte blanche to do as they please in individual cases, regardless of what may be the application of the law in general cases.

Mr. Coldwell: If the hon. member for Lake Centre is right of course this amendment would be wholly bad. But is it true to say that a directive may be issued discriminating against one individual, more or less at the caprice of some official? Is it not a fact, or am I wrong, that an order or directive so issued would have general application, and not application to only a particular individual at a particular time?

Mr. Chevrier: If I may answer that question now, it would have general application. It would be issued as a circular to the pilot, the owner and the operator.

Mr. Coldwell: A little earlier the matter of low flying was mentioned, and no doubt other orders and directives of a similar nature have been issued. I can see that it might happen that such orders or directives must be issued within a few hours, if there is an emergency; but when that happens should they not be subsequently issued as regulations, with the authority of an order in council, if as the minister says they are sufficiently important that they should have general application? It seems to me that while there may be occasions when something unforeseen may happen and it is necessary to issue an immediate order or directive, that immediate order or directive issued

because of the necessity of the moment should, if it is to have general application thereafter, be the subject of a regulation issued in the usual way by order in council and published. As I said earlier when I first drew attention to this, to my mind the section is worded in such a way that it is difficult to understand just what the implication is, because it speaks of the violation of the provisions of a regulation, not an order or directive. There is confusion, I believe, in the manner in which it is worded.

Mr. Chevrier: Mr. Chairman, the hon. member suggests that in important instances, such as those that were mentioned earlier in the discussion, the orders and directives should be tabled or made the subject of a regulation at a later date. I can see some merit in that, and I would not have any objection, if it were the wish of the committee, that all orders and directives be tabled so that the house would know what was in them.

Mr. Coldwell: That was not my only point. If they are of general interest, then it seems to me they should cease to be mere orders and directives, and should become regulations in the same sense as other regulations, with the authority of the government through order in council. That is the point I am making; not necessarily tabling them but converting them, if they are of general importance, into proper regulations with the authority of order in council.

Mr. Green: Apparently the minister is not going to do anything about changing this section, and that means the responsibility rests with him. As has been pointed out by other speakers, this section is not drafted properly. I think there are different ways in which it could be corrected, but the minister has not yet—

Mr. Coldwell: How does the hon. member suggest it should be remedied?

Mr. Green: The member for Rosetown-Biggar made one suggestion.

Mr. Chevrier: He suggested it should be withdrawn.

Mr. Green: The member for Rosetown-Biggar made one suggestion, that if there were need for regulations to be passed on short notice or for some action to be taken quickly, then a directive should be issued, and the directive should be made a regulation within a set period. Such a procedure would eliminate my main objection. There are different ways in which the evil in this proposed amendment could be dealt with. Another way would be to provide for a penalty which is not so severe.

[Mr. Coldwell.]

In view of the fact the minister is not accepting any of these suggestions, and apparently wants to push this section through in its present form, I move, Mr. Chairman, that clause 6 of section 3 of the bill be deleted.

Mr. Chevrier: Mr. Chairman, for the reasons I gave earlier, and because of the discussion which took place in committee on this matter at some length, I would have to oppose the amendment of the member.

Mr. Low: Would the minister reconsider the whole situation in the light of what has been said this afternoon, and perhaps allow the section to stand?

Mr. Chevrier: No, I am not prepared to reconsider it because I was asked to do that when the bill was before the committee on railways, canals, and telegraph lines. I gave the matter careful consideration, and came back and gave the reasons why I thought it was necessary that orders and directives be made.

Mr. Coldwell: Apparently the hon. member for Vancouver-Quadra agrees with the suggestion I made, that if orders or directives have general application and are of sufficient importance, then they should be made regulations by order in council. It seems to me that if the minister agrees to that he removes the objection the member for Vancouver-Quadra has, and that I feel has some validity. I do not want, Mr. Chairman, to deny the minister the right, in an emergency, to issue an order or directive temporarily, so long as it is regularized afterwards, if it is of general application.

Mr. Chevrier: I did not deal with that point for the reason that, if that were consented to, then it would defeat the purpose of the amendment entirely. Who is going to decide how important these directives are? The hon. member may feel they were all important, and that being so orders in council by way of regulation would have to be passed to cover them all.

Mr. Knowles: One order in council could cover fifty directives. There is one point about the wording of these sections about which I am still not clear. I wish the minister would follow what I am trying to say, and I should also like the member for Lake Centre to follow it, to see if we can get this thing sorted out.

Subsection 2, starting at line 5 on page 3, says:

> Any regulation made under subsection one may authorize the minister to make orders or directions . . .

Now, subsection 1 gives the governor in council the power to make regulations respecting air navigation. Subsection 3, starting at line 11 on page 3, says:

Every person who violates the provisions of a regulation is guilty of an offence . . .

Supposing a regulation is passed by order in council giving the minister power to make certain directives. If I violate that regulation, it is clear I am guilty of an offence, but when the minister, under that regulation, isues an order or directive and I violate that order or directive, have I violated the regulation?

Mr. Chevrier: I suppose that is a question of law, but certainly the order would have been violated. It is the object of this amendment to penalize, by way of a fine or imprisonment, a person who has violated an order made under the regulation.

Mr. Murray (Cariboo): These regulations are for the protection of life and property. Since I have lived beside a large airport for a good many years, it occurs to me that these regulations cannot be too strict. Quick decisions must be made, and authority must be given to the men at these airports to act quickly. Many accidents are caused by people who wilfully disobey regulations with respect to landing at airports on the northwest staging route. Our friends from the United States are sinners in that regard. They come in their private planes, and very often neglect to obey simple regulations which are set down for the protection of life. Without going into a legal quibble about language, it would seem to me that the stronger these regulations are made, and the more authority you give for the protection of human life, the better it will be for everyone concerned.

This is not a matter of riding a bicycle on the street, or something of that sort. When a passenger plane, possibly carrying fifty passengers, comes in for a landing, and there are some small craft flying about, and not obeying the regulations, somebody has got to act quickly. The penalty should be increased rather than decreased.

Mr. Coldwell: We are not discussing the regulations, Mr. Chairman. This is a matter of an order or directive issued under a regulation. I hesitate to deny to the minister the power that is asked for, because I can see that in the interests of safety and so on it may be necessary to issue an order. I can see that immediately. But once an order is issued which has a general application and is found to be essential to the safety of the travelling public, I am wondering if that should not be regularized by order in council and made a regulation instead of an order or directive. That is the point that I have in mind, and just that one point. I do not feel that I would be justified in denying the power that is asked for, but I would like the safeguard.

Mr. Chevrier: Once again, Mr. Chairman, in answer to that I cannot say any more than I have already said.

Mr. Coldwell: I think the minister understands what I mean.

Mr. Chevrier: I fully understand, and I appreciate the point. I think that is the only point that has been made in the discussion, and it has been made by more than one member; that is the point as to the section making the same penalty applicable to violators of the order or directive as is applicable to violators of the regulation. It may well be that there should be a difference between the penalties in those two cases. After having listened to the points that were made, I think perhaps there is something in the argument. But I think it would be a mistake to wipe out the whole clause. My hon. friend shakes his head. I know that he is not asking for that and neither did the leader of the Social Credit party ask for that; but that has been asked for—

Mr. Green: I said if you are willing to amend it that will be perfectly all right.

Mr. Chevrier: Let me go on. After listening to the discussion I think perhaps there is a reason for differentiating between violation of a regulation and violation of a directive or order, by way of a variation in the punishment and penalty; and I would be prepared to accept an amendment. In fact, I am prepared to move one which would leave the penalty for the infraction of the order or regulation as it is now, and is as follows:

Amend subclause (7) of clause 3 of Bill 153 by adding the following as subsection (4):

4. Every person who violates an order or direction of the minister made under a regulation is guilty of an offence and is liable on summary conviction to a fine not exceeding one thousand dollars or to imprisonment for a term not exceeding six months or to both fine and imprisonment.

I would ask my colleague to make this motion accordingly.

Mr. Claxton: I move accordingly.

The Deputy Chairman: Is it the pleasure of the hon. member for Vancouver-Quadra to withdraw his own amendment, in view of the amendment suggested by the minister?

Mr. Green: Even at that, I am much against this business of issuing directives. I would,

however, be willing to withdraw my amendment, provided that this amendment to the next clause is put forward by the government.

Mr. Chevrier: Oh, yes. The Minister of National Defence moves accordingly.

The Deputy Chairman: Has the hon. member for Vancouver-Quadra the unanimous consent of the committee to withdraw his amendment?

Some hon. Members: Agreed.

Amendment (Mr. Green) withdrawn.

Amendment (Mr. Claxton) agreed to.

Section as amended agreed to.

Sections 4 and 5 agreed to.

On section 6—*Regulations.*

Mr. Green: I wonder if we could call it six o'clock and let this section be taken up after the supper recess?

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at eight o'clock.

The Deputy Chairman: The house in committee on Bill No. 153.

Mr. Ross (Souris): On a matter of privilege, I did not check very closely the *Hansard* report of my speech yesterday, and at page 2808, in the 16th line, it reads, "As I listened to him over the air." It should read, "As I listened to the report over the air."

I, along with others, did hear this news report over a Winnipeg station the morning of May 18, attributing to the mayor of Winnipeg the statement charging the premier of Manitoba with criminal neglect.

Also in this afternoon's Ottawa *Journal* is the report of a denial by Mayor Garnet Coulter. I should like to read it:

> Mayor Garnet Coulter last night denied "very firmly" that he had ever accused Premier Douglas Campbell of maladministration in the Manitoba flood crisis.
>
> He was replying to a statement made in the House of Commons by J. A. Ross (P.C.—Souris). Mr. Ross said he had heard the Winnipeg mayor charge in a radio broadcast that the premier had been "guilty of criminal negligence" in his handling of the situation.
>
> "In one of the meetings of the city's flood-control committee," Mayor Coulter said, "there was somewhat harsh criticism of Premier Campbell, but not by me.
>
> "It is possible that some such expression (as that referred to by Mr. Ross) was used."

I checked the Winnipeg *Tribune* of May 17, and found that the deputy mayor, Alderman C. E. Simonite, is reported on the front page, in heavy type, as having made that statement.

I accept the denial of Mayor Garnet Coulter, and I wish to apologize and make amends to him.

The Deputy Chairman: We were discussing section 6.

Mr. Green: What change is there in this section with regard to tolls?

Mr. Chevrier: My hon. friend, I understand, is dealing with section 6(g). The only change in section 6(g) is the addition of the word "toll" after the word "tariff." This is a change in phraseology. It was felt that because the word "toll" covered a wider field than "tariff" it should be inserted. It is also felt that a tariff is a document including charges filed with the board, whereas a toll is a specific charge.

Mr. Green: I had reference more particularly to the new paragraph (gg).

Mr. Chevrier: This change is for the same reason as those in sections 2(4) and 4(1). It is to give to the board jurisdiction over tolls outside the territorial jurisdiction of Canada. I think the note opposite section 2(4) would give an exact explanation of this amendment. As the act stands today there is no jurisdiction to cover tolls outside Canada, and because of commitments made by ICAO it is felt there should be jurisdiction in that respect.

Mr. Green: There is a provision being written into section 12 of the act the effect of which would be to give the board power to exempt international routes. If they are exempt from the control of the board, then why does the board retain any jurisdiction over the tolls?

Mr. Chevrier: May we discuss that when we reach section 12; we are still on section 6. That discussion would be more applicable under section 7. Could we have section 6 passed?

Mr. Green: No; this paragraph (gg) apparently gives power with respect to tolls on international routes. Yet, as I understand it, the board is going to divest itself of any control over international routes.

Mr. Chevrier: No, not as to tolls or tariffs; but it may grant a licence under section 12, for public convenience and necessity.

Mr. Green: It will be in a position of having some control over tolls and tariffs, whereas it may not have over the routes flown?

Mr. Chevrier: Yes, full economic control over tolls, but not over routes.

Section agreed to.

On section 7—*Exception.*

Mr. Knowles: Section 7 in this bill is the one which makes whatever changes are proposed in section 12 of the act. So far as I can determine, no change has been made in any prior amending act and no change is now contemplated with respect to section 12(2). Is it because section 12(2) stands?

Mr. Chevrier: Yes.

Mr. Knowles: It seems to me that that underlines the farce of this whole business. Let me read section 12(2)—and I do that because we are now dealing with section 12:

> No such licence shall be issued in respect of a commercial air service, owned, leased, controlled or operated by any person who is engaged in the transport of goods or passengers for hire or reward by means other than aircraft unless the governor in council is of opinion that it is in the public interest that such licence be issued.

That section did not appear in the Aeronautics Act until after the policy announced by the then minister of munitions and supply in 1944 to the effect that, commencing one year after the end of the war in Europe, railway and surface transportation companies would no longer be entitled to operate air lines. To get the full effect of it one has to look at section 14; however, we shall come to that later.

Mr. Chevrier: May I ask my hon. friend this question. He is the expert on the rules of the house, for his party.

Mr. Knowles: Just ask the question.

Mr. Chevrier: Section 12(2) is not being amended in any way and is not before the committee. Therefore I do not think it can be discussed.

Mr. Knowles: But the amending of section 12 of the act is now before the committee, and I submit it is in order to discuss the section being amended.

Mr. Chevrier: It is in order to discuss the subsection being amended. There are eleven or twelve subsections in section 12. At the moment we are dealing with subsection 3A, which is being amended. We are not dealing with subsection 2, because it is not being touched. Therefore I do not think it can be discussed.

Mr. Knowles: Mr. Chairman, when the minister tries to stop me from discussing this matter now I would tell him that I can come back to it when we get to the section which seeks the repeal of sections 13 and 14. I would remind the minister that, in part, they deal with the same question. Since it is his intention later on to repeal section 14, why does he not at the same time repeal section 12(2)? To leave on the statute books a subsection that says no surface transportation company is to operate an air line, except under the most exceptional circumstances, is surely making a joke of statute law. That represents the policy as announced by the minister of munitions and supply in 1944. However, that has been changed, and it has not been carried out at all. Why does that subsection stay on the statute books?

The Deputy Chairman: Does the section carry?

Mr. Green: Is the minister going to answer the question?

Mr. Chevrier: The matter is not before the committee, but since it has been raised earlier by the hon. member for Vancouver-Quadra, perhaps I could say a word about it—although the discussion is entirely out of order.

The Deputy Chairman: If the discussion is out of order I cannot permit it. Let us settle this question. If it is in order, let us have it; but if it is not in order, I cannot permit it.

Mr. Graydon: The committee could give consent.

The Deputy Chairman: It we have unanimous consent we can discuss matters which are not now before the committee. Is it agreed?

Some hon. Members: No.

The Deputy Chairman: We do not have unanimous consent.

Mr. Knowles: On the point of order, I think you should consider this matter carefully. This clause in the bill before us amends several parts of section 12 of the act. There is a certain relationship between them. I submit that for the Minister of Transport to hide behind the contention he is putting forward now is simply not being fair with the committee.

Mr. Chevrier: I am not going to allow the hon. member to say that I am hiding behind anything. The hon. member should not use that expression as he knows better than that. I am not trying to hide behind anything. It was raised before and I am willing to deal with it now, but I do not want to be faced now, and again when my estimates are up later, with the statement that I consented to a discussion of a matter than was out of order. If there is going to be a twenty or thirty minute debate on a subject that is not even before the committee, then it is only with the consent of the committee I shall speak now. However, it would be on the distinct understanding that we do not get into a lengthy debate and that I will not be told that this having been out of order anybody else can bring up other matters and perhaps have an

extended debate on them. If the committee feels that the matter should be dealt with I am ready to consider it. I was starting out to say a moment ago that the hon. member for Vancouver-Quadra raised this question originally on second reading and then again in the committee. There is some reference to it in the evidence. I do not see anything abnormal about subsection 2 as it now stands. If my hon. friend places a different interpretation upon it than I do then perhaps he and I have not the same view of the meaning of words.

This subsection reads:

> No such licence shall be issued in respect of a commercial air service, owned, leased, controlled or operated by any person who is engaged in the transport of goods or passengers for hire or reward by means other than aircraft unless the governor in council is of opinion that it is in the public interest that such licence be issued.

As has already been placed on *Hansard*, the meaning of that subsection is that no licence shall be issued to a surface carrier, a trucking company or a shipping company unless the governor in council is of opinion that it is in the public interest that such licence be issued. There has been a departure from that statutory prescription by means of government policy announced, I think, by the Minister of Trade and Commerce and perhaps by the Prime Minister, which permitted both the T.C.A. and the C.P.A., as the hon. member for Winnipeg North Centre said this afternoon, ostensibly to operate in the face of that subsection. The hon. member for Vancouver-Quadra argued that as this subsection serves no useful purpose it should be taken out altogether. I said to him in committee that I would consider it. I told him at the time that I had no views one way or another but I was anxious to hear the views of others. Certain views were expressed in committee.

Since that time I have been able to discuss the matter with some of my colleagues. There was not a complete discussion at a meeting of cabinet because I have not had that opportunity, but I have spoken to some of my colleagues and the feeling is that the section should remain as it is because no harm is done. Since there has been a derogation from the general policy, the words "unless the governor in council is of opinion that it is in the public interest that such licence be issued" justify what has been done under government policy. The feeling was that because of that the subsection should remain as it is.

Mr. Knowles: Would this subsection ever have been put into the act if it had not been for the policy of the government as announced in 1944 that surface transportation companies were not to continue to operate air lines?

Mr. Chevrier: I cannot answer that.

[Mr. Chevrier.]

Mr. Knowles: I think the minister—

Mr. Chevrier: I would not know that. I would not be able to answer that because I had absolutely nothing to do with the drafting of the original act. Therefore I am not able to give my hon. friend an answer.

Mr. Knowles: The minister was a member of parliament, as I and others were, in 1944 when the whole question was before the house. It was certainly crystal clear then that the purpose of this subsection was to implement that policy of the government. I think it is clear to anyone who looks at it. There cannot just be the casual interpretation that the minister places on the subsection. It was put in the act clearly for the purpose of implementing the policy as announced by the government at that time. Although I have not *Hansard* of that long debate before me at this moment I am sure that when that subsection was being discussed the minister of munitions and supply made it clear that that was in the act for the purpose of implementing that policy. In 1947 I asked the minister how the surface transportation companies were to be permitted to operate air lines beyond a year after the end of the war in Europe, and the Minister of Trade and Commerce told me that that was done by cancelling all the licences of these companies—there were fifty-three—and reissuing them under the terms of section 12, subsection 2.

I contend that that escape clause in subsection 2 is at variance with the purpose of the section in the original act. If the government has changed its policy, if it is no longer the intention of the government to deny to surface transportation companies the right to operate air lines, they should not leave this now meaningless subsection in the statute.

Mr. Green: Does not the minister think that having extra restrictions of this kind in the act may prevent transportation companies from entering the field of civil aviation? With that restriction in the act a company operating busses or a shipping company might not even consider establishing an air line. I am wondering whether it would not be wise to take the subsection out of the act unless it is government policy that there shall be extra restrictions in effect against any company in the transportation business.

If that is the policy of the government then I can see the value of this subsection, but the actions of the last two or three years would indicate that that is no longer the policy. Such being the case it does seem unwise to have a restrictive provision of this kind which certainly is not an inducement to transportation companies to enter the air business.

Mr. Chevrier: My hon. friend asks if I do not think it is a deterrent. I do not think it is, any more than it was in the case of the subsidiaries of the railway companies, the T.C.A. and the C.P.A. A trucking company would more likely be interested in that field of transportation than a shipping company, and if it felt that it would like to operate an air service I think there is an "out" provided by the last part of the subsection which states:

—unless the governor in council is of opinion that it is in the public interest that such licence be issued.

I do not think that is a deterrent.

Mr. Green: Is it clear that government policy is to treat all applicants on the same basis whether or not they are transport companies?

Mr. Chevrier: I would think so.

Mr. Green: There are a couple of other questions I should like to ask about this section. The first has to do with the new 3A. Under that section the board can now exempt any scheduled commercial air service from its jurisdiction unless that air service operates wholly within Canada. When the bill was explained in the other place it was pointed out that the main purpose of this change was to make the provision such that international routes could be exempted from control by the board. That would appear to be the main purpose of the section. Apparently from now on the air transport board is to exercise no jurisdiction over international scheduled air routes. I should like the minister to explain why that step is being taken, and why the board is being deprived of this jurisdiction.

Mr. Chevrier: Because of international agreement, because of bilateral agreement.

Mr. Green: Even though there is a bilateral agreement is it not necessary for somebody to check such routes and approve of them? I do not understand why the power to conduct such a check should be taken away.

Mr. Chevrier: It is not taken away. The board still has the same duties and responsibilities with reference to air routes as they had before. I thought that had been explained by the chairman of the board in the standing committee. My understanding of the section is that all it does is to permit the board to exempt international air carriers from public convenience and necessity. They are still subject to the control of the board in so far as rates are concerned, and I presume the rates will be those which have been approved by international agreement.

Mr. Green: But the routes will not be subject to any control by the board?

Mr. Chevrier: The routes will still be subject to control. The only change that is being made is that it will no longer be necessary to consider public convenience and necessity in granting a licence for that sort of international route.

Mr. Green: The new subsection 5 is the one which gives power to the board to issue licences, and so on. Of course that is subject to the first subsection of section 12 of the act which reads:

Subject to the approval of the minister, the board may issue to any person applying therefor a licence to operate a commercial air service.

The point I tried to make this afternoon was that a decision of the board in favour of granting an application should not be subject to veto by the minister. Is there any intention on the part of the government—

Mr. Chevrier: I am sorry, I cannot follow the hon. gentleman. Is he dealing with 12(5)?

Mr. Green: Yes. Of course that is subject to the first subsection of section 12 reading:

Subject to the approval of the minister, the board may issue to any person applying therefor a licence to operate a commercial air service.

Therefore at the present time the board cannot issue a licence without having it approved by the minister. As I pointed out this afternoon, that takes away from the board any semblance of freedom in making decisions. Is there no intention on the part of the government to give the board full power to grant or reject licences, subject of course to an appeal? It seems ridiculous that when hundreds of applications for licences are being granted each one of them must be dealt with by the minister. I cannot understand why the board is not given that judicial power without a veto by the minister.

Mr. Chevrier: I do not want to interrupt the trend of thought of my hon. friend but if he will just look at 12(5) he will see it deals with an entirely different matter. Subsection 1 of section 12 states that the board with the approval of the minister may issue to any person applying therefor a licence to operate a commercial air service; but, under subsection 5 of section 12, in issuing any licence the board shall prescribe the routes, et cetera, as mentioned there. The amendment simply states:

In issuing any licence, the board may prescribe the routes which may be followed or the areas to be served and may attach to the licence such conditions as the board may consider necessary or desirable in the public interest, and, without limiting the generality of the foregoing, the board may impose conditions respecting schedules, places of

call, carriage of passengers and freight, insurance, and, subject to the Post Office Act, the carriage of mail.

The amendment is introduced to change the accent to public interest rather than efficient operation. The board looked before to efficient operation, and now the accent is on public interest because there are a number of matters that have come to the attention of the board and the department that cannot be dealt with since they fall under another jurisdiction. The board feels that it may well be able to enter into certain negotiations with these other jurisdictions and in the public interest prescribe in the licences certain terms and conditions which will be of use.

Mr. Green: Of course the words "necessary or desirable in the public interest" are the same words which are found in the act setting up the board of transport commissioners. Looking at them as they appear in subsection 5, one would think that the air transport board is to be given power to decide on each application on the basis of whether or not it is in the public interest that the application should be granted. What I am complaining about is that behind all that there is still subsection 1 of the same section which says that the board cannot issue any licence without the approval of the minister. I ask the minister whether there is no plan in the minds of the cabinet to do away with approval by the minister of each licence. It seems very unwise. The minister cannot possibly have all the facts because there are so many licences being granted. In addition the minister's power of veto cuts down the prestige and authority of the air transport board quite unnecessarily.

Mr. Chevrier: I thought I covered that point this afternoon when my hon. friend brought it up. All I can do is to repeat what I said then, namely, that there is a distinction to be made between the board of transport commissioners and the air transport board, between air carriers in Canada and air carriers in the United States. In the United States air carriers are nearly all private. By that I mean under private enterprise. In Canada there is one large government-owned corporation.

Mr. Green: But it does not come under this board.

Mr. Chevrier: It does with reference to routes. The chairman of the air transport board explained in committee that with respect to the consideration of routes into new countries it does come under the board.

Mr. Green: Purely as an advisory body.

[Mr. Chevrier.]

Mr. Chevrier: Otherwise, too. In Canada the largest operator is the government-owned T.C.A., and for that reason it is felt that if the board were an independent body, without having to refer to the minister for approval, it would not be in the best interests.

Mr. Green: Then one other question on this section, having to do with the new subsection 6, which provides for the issuing of licences to Trans-Canada Air Lines. That subsection reads:

The board shall upon application grant to Trans-Canada Air Lines a licence to operate a commercial air service under such terms and subject to such conditions as will enable Trans-Canada Air Lines to perform any agreement made, under sections fifteen or twenty-five of The Trans-Canada Air Lines Act, 1937, between the Minister of Transport and Trans-Canada Air Lines or between the Minister of Transport and any corporation created under section twenty of the said act.

The committee has been told that the Minister of Transport is not in charge of Trans-Canada Air Lines.

Mr. Chevrier: That is right.

Mr. Green: The Minister of Trade and Commerce is in charge of T.C.A.

Mr. Chevrier: That is right.

Mr. Green: Yet this section provides that the agreement is to be between the Minister of Transport and Trans-Canada Air Lines.

Mr. Chevrier: That is right.

Mr. Green: Or between the Minister of Transport and a corporation created by Trans-Canada Air Lines, which I believe has power to set up other companies such as the line across the Atlantic.

Mr. Chevrier: Yes, subsidiary companies.

Mr. Green: Is that section not wrong? The minister said this afternoon he was the only minister concerned with the Aeronautics Act. Here we have a clear case where the Minister of Trade and Commerce is right in the picture, because he is the man running Trans-Canada Air Lines and he is the man making these contracts with Trans-Canada Air Lines. Why not say that in the section, instead of saying the Minister of Transport?

Mr. Chevrier: I think the section is quite clear, and I believe all the statements I made this afternoon concerning the jurisdiction of the Minister of Transport and that of the Minister of Trade and Commerce are accurate. The Trans-Canada Air Lines Act clearly states that "minister" means the Minister of Transport. That is why the words used here are "Minister of Transport." As I stated earlier, by virtue of the transfer of duties act Trans-Canada Air Lines have been brought under the jurisdiction of the Minister of

Trade and Commerce. So for the purposes of the Trans-Canada Air Lines Act the minister responsible is the Minister of Trade and Commerce. The agreement referred to herein is an agreement entered into between the Minister of Trade and Commerce and Trans-Canada. It could not be otherwise and make sense.

Mr. Graydon: When is the Minister of Transport not the Minister of Transport?

Mr. Chevrier: I think I will let the opposition answer that question.

Mr. Green: I do suggest that the minister recommend to his cabinet colleagues that the Minister of Trade and Commerce stick to selling wheat, because here is ridiculous phraseology. It refers to an agreement between the Minister of Transport and Trans-Canada Air Lines, yet the Minister of Transport has just admitted that the contract will not be between himself and Trans-Canada Air Lines at all but will be made by the Minister of Trade and Commerce. It really is an absurd position, which I believe the people of this country are entitled to have remedied.

Mr. McIvor: I do not see why we should raise any objection to the Minister of Trade and Commerce. If he is given a job to do by the government he will do it in a straightforward, honest, businesslike way. We should offer no apology or criticism along that line.

Section agreed to.

On section 8—*Repeal.*

Some hon. Members: Carried.

Mr. Knowles: No doubt some of those who are shouting "carried" will think I am going to continue beating a dead horse.

Some hon. Members: Hear, hear.

Mr. Knowles: Just wait and see whom I beat before you say "hear, hear." It does seem to me we should not repeal these two sections of the Aeronautics Act without a brief review of their history. They relate to the same question I was discussing a few moments ago, on section 7, when I raised the question as to why subsection 2 was being left in section 12 of the act. Let me read sections 13 and 14, which are now being repealed:

13. The board shall review all licences respecting commercial air services issued under part III of The Transport Act, 1938, or under part VII of The Air Regulations, 1938, prior to and in force at the time of the coming into force of this part and may cancel or suspend any such licence as it sees fit.

14. Every licence issued under part III of The Transport Act, 1938, or under part VII of the Air Regulations, 1938, prior to and in force at the time of the coming into force of this part shall be deemed to be a licence issued under section twelve of this act, but every such licence, if not cancelled or suspended by the board under section thirteen of this act, shall cease to be valid one year after termination, as fixed by order in council, of the war in Europe which commenced on the tenth day of September, one thousand nine hundred and thirty-nine.

I know we had an extended debate about the policy involved in section 14 when it was brought before us in 1944. I know that policy has been changed, that it has gone by the board; and I will admit that if the policy has gone by the board it is just as well to have it taken off the statute books. That was why I thought subsection 2 should go out of section 12 as well.

Some hon. Members: Carried.

Mr. Knowles: Despite these shouts of "carried" I want to protest as strongly as I can against the use of parliament and of statutes in this way. When section 14 was finally passed by parliament in 1944 we thought it meant what it said; that within one year after the end of the war in Europe, the date of that end to be determined by order in council, companies operating surface transportation systems would have to divest themselves of the ownership of air lines. When time went by and this was not done I asked the present Minister of Trade and Commerce about it. My questions can be found in *Hansard* for August 17, 1946. It will be remembered that the war in Europe ended in May, 1945, so more than a year had elapsed when I asked those questions. I asked the minister what had happened to this policy and why, since a year had elapsed, the railway companies were still operating their air lines. This was the minister's reply, at page 5002 of *Hansard* for that year:

Mr. Howe: My hon. friend has given a correct statement of the policy announced by the government in 1944. At the time I made the announcement I was very sure I was right. A good section of the house was very sure I was wrong, but that gave me no pause whatsoever. At that time the public was not getting the service to which I believed it was entitled, and I think the public in that area believed it too. Certainly the relations between the government and Canadian Pacific Air Lines were far from satisfactory, and there was no doubt at that time that the non-competitive position of Trans-Canada Air Lines was being challenged.

Legislation was passed, and the present technical position is that the mandatory date, which would be May, 1946, has been advanced one year under the Emergency Powers Act.

Mr. Knowles: Does the minister mean it has been advanced solely for the purpose of this legislation?

Mr. Howe: Yes. The effective date of this legislation has been advanced by order in council passed under the Emergency Powers Act.

Mr. Knowles: I suppose that order in council was tabled.

Mr. Howe: Yes; all orders in council passed under the Emergency Powers Act are tabled.

Mr. Knowles: I never heard of that one.

Mr. Howe: You were engaged in higher statesmanship for a considerable period.

Mr. Knowles: I was flying in your planes.

Those last references were to the fact that I was overseas at the time attending the sessions of the United Nations. As I thought that over, I was horrified at the implication that a clear-cut provision in this section 14 had been changed, so the minister said, by an order in council passed under the emergency powers act. I went to my office later, and I studied the act itself. I could see no provision in it for changing a section by order in council. I proceeded, therefore, to try to find that order in council. I had no success, so a few days later, on August 20 to be exact, I put a question to the minister of reconstruction, which appears on page 5077 of *Hansard*. It reads as follows:

Mr. Stanley Knowles (Winnipeg North Centre): I wish to direct a question to the Minister of Reconstruction and Supply with reference to an order in council to which he referred in the course of the debate on August 17. He indicated at that time that an order in council had been passed advancing the effective date contained in section 14 of the act to amend the Aeronautics Act. I have endeavoured to get a copy of the order in council from the privy council office, but they do not seem to be aware of the order to which the minister refers. Will he indicate the number and date of the order in council?

Right Hon. C. D. Howe (Minister of Reconstruction): My legal department calls my attention to the fact that there was no order in council.

In effect, he admitted that his statement of a few days before, that it was done by order in council, was in error. There are a few humorous interjections, and then I continue:

Mr. Howe: It was a cabinet decision arrived at on February 16 last.

Mr. Knowles: The cabinet decision was taken under what section of the act?

Mr. Howe: Under the authority of the government. This was the decision:

At this point the present Minister of Trade and Commerce pulled a slip of paper out of his pocket, and read this:

The cabinet, after discussion, agreed that the time limit for separation of control of air services from that of railways be extended for another year, i.e., until two years after the end of the European war.

Mr. Knowles: I rise to a question of privilege. The section of the act says that it must be done by the governor in council. There was no order in council, and therefore I suggest that the act has been violated.

Mr. MacKenzie: It does not have to be under an order in council; the government decides in council.

Mr. Coldwell: Without the authority of parliament? May I ask the Minister of Reconstruction or the leader of the house, if either of these gentlemen means to imply that the government has authority to do what is not authorized by this house or by statute?

[Mr. Knowles.]

Mr. MacKenzie: The government of the Dominion of Canada is a responsible body, responsible to parliament and responsible by answering questions on the floor of the house, and whether there is an order in council or not the government can take action and answer to parliament accordingly.

Mr. Chairman, this afternoon I indicated that later in the same session, on August 26, the present Prime Minister, who was then minister of justice, and I had an amicable discussion about this whole matter. He agreed that there had been some mistake, and it was quite clear that statutes could not be changed by order in council, or by a minute of cabinet or anything of that nature. What this whole business spells out clearly is a feeling on the part—I should not blame the present Minister of Transport, because he was not involved in this at all—of the right hon. gentleman who was the minister in charge of these matters at that time, that statutes are something to be passed when you need them for the convenience of the government; but they are something to be ignored, to be changed by order in council or by a minute of cabinet, when it is felt the government wants to change its policy.

It was a year later before I was able to get the information that the whole business was regularized, in the eyes of the government at any rate, by allowing all the licences then in effect, as provided in sections 13 and 14, to expire, and by reissuing the whole lot under the escape clause in section 12, subsection 2. I submit, Mr. Chairman, that even though some might think this is flogging a dead horse now that the incident is all over, the government should be told again that this kind of irresponsible action, this sort of playing with statute law, is simply not good enough under our parliamentary system. It reminds me of our fight over the tabling of the McGregor report, and other instances of the government ignoring the law. Although the present minister is not involved in this—it was another minister who is not here—it does seem that this section 8 which wipes out the whole business should not be passed without the government being reminded that there is still such a thing as governmental responsibility to parliament, and there is still such a thing as the government being obligated to obey the laws that are placed upon the statute books.

Section agreed to.

Section 9 agreed to.

On section 10—*Prosecution within twelve months.*

Mr. Green: Section 10 contains an amendment to part III of the Aeronautics Act, and that is the part which provides for the

aeronautics all day, and the board is here. It is a small item, and it would obviate the necessity of having the officers come back again if the committee would be agreeable to that. We might pass that item and then go on to the one at which we left off the other evening.

Some hon. Members: Agreed.

Air transport board—

523. Salaries and other expenses, including the Canadian delegation to the international civil aviation organization, $229,335.

Mr. Green: Will the minister explain the increase in this item?

Mr. Chevrier: The main reason for the increase is the transfer of certain officials of the Canadian government who were being paid by the Department of External Affairs heretofore and who are now paid by the Department of Transport through vote 523.

Mr. Knowles: Has the minister now the answers to the questions I asked him this afternoon about infractions of air regulations?

Mr. Chevrier: Yes. There are twenty-two persons or companies which were prosecuted in the last two and a half years and charged with thirty-six offences. The fines ranged from a minimum of $10 or ten days to a maximum of $2,000.

Mr. Knowles: Can the minister say what classes of operations were involved? Was Trans-Canada Air Lines or Canadian Pacific Air Lines involved?

Mr. Chevrier: No, not that class; mostly all small carriers.

Mr. Knowles: What was the nature of the violations?

Mr. Chevrier: Mostly operation of the service without a valid commercial certificate.

Mr. Knowles: So far as the big companies are concerned, they do not cause any trouble at all?

Mr. Chevrier: Their record is clear.

Mr. Knowles: Good.

Item agreed to.

Marine service—

467. Nautical service administration, $194,262.

Mr. Green: This item was under discussion when the estimates were last up for consideration and it has to do with the nautical service administration. I wish to deal with it this evening because it includes a vote for the rehabilitation of merchant seamen. As you will remember, Mr. Chairman, we were on that particular subject on the previous occasion.

I cannot understand why these Canadian merchant navy veterans should be treated as though they did not serve honourably in the war; because in effect that is exactly what their treatment amounts to. One would think they took no part whatever in the victory in the recent war. It is true we find in this particular vote that there is the amount of $4,000 for campaign stars and $6,000 for war medals. It seems strange that while they get this recognition, while they can get medals from the Department of Transport, they cannot get the benefits which go to the men in the other fighting forces. Let us take, for example, the case of a young lad who contracted tuberculosis while serving in the merchant navy. He cannot get a pension. I have one case in my files here in which it was admitted by the pension commission that the disease arose out of service but—

The Deputy Chairman: I would appreciate it if the hon. member for Vancouver-Quadra would assist me. I see that in this vote 467 there is reference to vocational training, campaign stars and war medals, but I do not see how the hon. member can speak about the veterans of the merchant navy not getting pensions.

Mr. Green: I am going to point out, Mr. Chairman, that even in vocational training, they are not getting the same benefits as the other veterans can get; and I think it is in order to indicate to the committee and to the country that these men are not treated in the same way as the veterans of the other forces. As I was saying, it is almost impossible for them to qualify for pension. They cannot get—

The Deputy Chairman: Order. When the hon. member refers to pensions, and the qualifications these men may have, I suggest he is discussing a subject which might more properly be discussed when the estimates of the Minister of Veterans Affairs are before the committee.

Mr. Green: No.

The Deputy Chairman: But not on these estimates, where the vote is for nautical service administration. He might make reference to vocational training and war medals as they affect merchant seamen.

Mr. Green: It goes further than that. The Department of Transport is the only department that can do anything for these men. They are the charge of that department. Even the vocational training cannot be given by the Department of Veterans Affairs unless the Department of Transport has first ruled that they are eligible.

publication of regulations as well as for laying them before parliament. This afternoon the minister agreed to an amendment with regard to directives which are to be issued by him, as distinct from regulations passed by order in council. I believe there should be some provision written into the act for the publication and filing of those directives. I presume such a section would have to be placed in part III of the act. I would ask the minister whether he has given any consideration to that, and if so whether he would be willing to provide for such notice being given of those directives. In fact, I believe it is really more important that there be some publication of these directives, because otherwise nobody is going to know what they are. Take the house, for example. Hon. members will have no way of knowing what directives have been issued; I do suggest that they should at least be filed in the house.

Mr. Chevrier: There are two considerations that enter into the picture here. First, I presume my hon. friend is also dealing with the report. He made some query about a report by the board.

Mr. Green: I asked if an annual report could be made by the board.

Mr. Chevrier: There are some difficulties in the way of preparing an annual report because of staff considerations and the like, but the board is now drafting one which I think should be tabled in due course. The last report was prepared in 1948, and since then none has been made. The board is of the opinion such a report should be written, in fact it is in hand now. In due course, that report will be tabled.

I did say this afternoon that these orders and directives might well be tabled. I have no objection to that. In fact, I think I could give the undertaking now that they would be tabled. But I do not think it is necessary to include a clause in the act covering that. I think there are other instances where documents are tabled on an understanding and the commitment given by the minister. In order that there may be no misunderstanding, I now say that I will table the orders and directives under the section about which there was so much discussion this afternoon, and an annual report will be prepared in due course.

Section agreed to.

Title agreed to.

Bill reported.

The Acting Speaker (Mr. Beaudoin): When shall this bill be read the third time?

Mr. Green: Next sitting.

Some hon. Members: Now.

The Acting Speaker (Mr. Beaudoin): Next sitting of the house. I understand that the second reading of this bill took place long ago, but it has only been reported today.

Mr. Fournier (Hull): Under standing order 73, I think we are entitled to have third reading tonight. There is no amendment to the bill.

Mr. Green: Oh, yes, there is.

Mr. Fournier (Hull): Yes, that is right; there was one.

Mr. Green: You had better sit down.

Mr. Fournier (Hull): We have spent three days on this discussion. I would appeal to the house that we be allowed to get third reading of this bill tonight, unless there is some extraordinarily good reason to the contrary.

Mr. Green: Mr. Speaker, the Minister of Transport (Mr. Chevrier) has already signified his willingness to have third reading tomorrow. There has been an amendment to the bill. I do not suppose there will be any discussion tomorrow, but something might crop up in the meantime. I do not know why the Minister of Public Works (Mr. Fournier) should try—

Mr. Fournier (Hull): You cannot always have your own way.

Mr. Green: I do not know why the Minister of Public Works should be trying to get third reading through tonight.

Mr. Fournier (Hull): You would if you ever tried to lead the house.

Mr. Cote (Verdun-La Salle): Is there any purpose in not giving it third reading tonight?

Mr. Green: If some of these backbenchers would get up and say what they have to say, we could deal with them.

The Acting Speaker (Mr. Beaudoin): When shall the bill be read the third time?

Some hon. Members: Now.

Mr. Green: Next sitting.

The Acting Speaker (Mr. Beaudoin): Next sitting of the house.

SUPPLY

The house in committee of supply, Mr. Beaudoin in the chair.

DEPARTMENT OF TRANSPORT

Mr. Chevrier: Mr. Chairman, I wonder if the committee would consent to my calling item No. 523, because it has to do with the air transport board. We have been discussing

it, no matter what their age may be. Actually it is very difficult for men who have followed the sea to obtain other work, particularly if they are forty years of age, or so. To give them vocational training would be a great help.

Then, another way in which the restrictions are too severe is that an applicant apparently must have signed a contract with a manning pool. I am told that in many cases young men were not allowed to sign manning pool contracts. If a young lad of seventeen or eighteen went into the merchant navy they would not sign him, because of his age. Yet now he finds that he cannot qualify for training because he did not sign a manning pool contract. Under the present regulations also he must prove that he was eligible for the special bonus which was paid to the men of the merchant navy. In some cases men served on Canadian ships who were not signed up under contract or who for one reason or another did not get that bonus and so cannot qualify for the training. I do not understand why the department is so strict in laying down the rules. It would seem to me that if a man served on a Canadian ship and was honourably discharged he should be eligible for vocational training, particularly in view of the fact that he gets practically no other benefits.

There is another reason why something should be done. Within the last few months there has been a drastic reduction in the number of available jobs on Canadian ships as a result of the policy of transferring ships to British registry. Many hundreds of men were put out of work. In announcing the new shipping policy toward the end of the last session the Prime Minister said that the provisions for training would be extended in order to help men who were bound to lose their jobs when the Canadian ships were transferred. Yet the extension under the regulations has not been sufficient to meet these cases and I urge upon the minister that such step be taken now; that we throw open vocational training to any men who served on Canadian ships during the war.

This is having a direct effect, not only upon the present but upon the future Canadian merchant marine. We have always been a maritime people but we cannot hope to have a merchant marine if we do not treat these men properly. There are men in all the seaports of Canada who have had experience on Canadian ships and who feel they have not received a fair deal. In my opinion they are quite right; I think they have had shabby treatment. It may be because there are so few of them, it may be because they are to be found largely in the seaports, or it may be because of the attitude taken by officials of the Department of Transport. I sometimes wonder whether they are not working under the old principle that the only way to get along with a sailor is to kick him around.

In my opinion this failure to give these merchant seamen adequate vocational training and other benefits is going to have a serious effect on Canadian shipping in the future. There is much talk these days of more trouble of another war. If by any sad chance there should be more fighting a Canadian merchant navy will be needed just as much as, and perhaps more than, it was in the last war. We are not laying a very good foundation for a Canadian merchant navy by this niggardly treatment of men who served in the merchant navy during the last war.

Mr. Noseworthy: Can the minister give us a little more information on this subject of vocational training? The vote is decreased from $350,000 last year to $50,000 this year, and I should like to know the reason. Can he tell us where the training is given, the number of applicants who were trained and the number rejected?

Mr. Chevrier: I put most of that information on *Hansard* the other evening. I gave the reason for the decrease by stating that there was to be a supplementary estimate in the neighbourhood of $150,000. I placed on *Hansard* answers to the questions which my hon. friend has asked.

Mr. Noseworthy: At what centres is this training given?

Mr. Chevrier: The two orders in council are administered jointly by the Department of Transport and the Department of Veterans Affairs. The application is made to the Department of Transport and the administration is under the Department of Veterans Affairs. My understanding is that the vocational training is given in various schools across Canada but I am afraid I cannot state just where they are located.

Mr. Noseworthy: Can the minister give any information with regard to the entrance requirements for this training?

Mr. Chevrier: It is set out in the orders in council. A person is entitled to vocational training who signed a manning pool agreement or who received a war risk or special bonus.

Mr. Noseworthy: I am told by a number of merchant seamen in Toronto that the centre there is the Ryerson Institute and that the entrance requirements are such that few merchant seamen can qualify for the courses.

Mr. Chevrier: It is not a question of ability to take the course, it is a question of a

In the report of the Department of Transport for the year ended March 31, 1949, we find the whole subject matter dealt with under the heading, "Rehabilitation of Merchant Seamen"; when the estimates of the Department of Veterans Affairs are up cannot proceed because I am told, "We have nothing to do with this; you will have to go to the Department of Transport." I believe I am in the right spot now, because the minister in charge is before the committee.

The Deputy Chairman: I thank the hon. member for his explanation; but I am wondering if that does not become a matter of government policy which might better have been discussed under the first item for departmental administration.

I assure the hon. member it is difficult to draw the line, because there are many subjects hon. members may wish to bring in. But according to the standing order, speeches in committee of supply must be strictly relevant to the item. If I permit the hon. member for Vancouver-Quadra to go beyond what is permitted under the item, then I shall have to give the same freedom to other hon. members.

I remember that when the items were before the committee of supply on the last occasion there was a general discussion with respect to merchant seamen, having particular reference to the special headings set out in the details of item 467. I remember that the hon. member for Vancouver-Quadra spoke on that occasion, as did also the hon. member for Cape Breton South. But they did not go any further than would have been covered by the subheadings of vocational training and war medals.

Tonight we did that again, quite properly. But the minute the hon. member refers to their qualifications for pensions, I am afraid he is out of order because it would be completely extraneous to the subject matter before the committee.

Mr. Green: Then I shall deal with vocational training. I believe I can make my point on that, without touching the other matters. The point is that these men of the merchant navy are not receiving the same training benefits as are the men of the other forces. My submission is that they should be treated in exactly the same way. It has been surprising to read some of the statements made by members of the cabinet about these men.

For example, in January of this year the Minister of Veterans Affairs was out at the coast and, when he was asked about these merchant navy veterans, he said this:

> We have gone so far in the field of veterans affairs without friction between civilians—

Note that word "civilians".

> —and members of the armed forces, that to give special benefits to special groups would kill something good.

In effect he was saying that merchant navy veterans were civilians, and was distinguishing them from the members of the other three armed forces. That stand is very different from the statement contained in the speech from the throne at the close of the war. In the speech from the throne on September 6, 1945, we find this:

> We rejoice that our armed forces have achieved so much in helping to defend and liberate nations to whose past and present our own is so closely akin. Our country will ever remember with pride the heroic exploits of Canada's fighting men and merchant seamen.

That was the attitude in 1945. Statements to that effect had been made by the former prime minister and, I think, by most of the ministers of that time, including no doubt the present Minister of Transport. So my suggestion is that on this question of, let us say, vocational training, these men should be treated in exactly the same way as the members of the other forces.

I raise this matter now because the other night the minister said that there is to be a supplementary vote covering this rehabilitation. Therefore it is not too late for him to give consideration to widening the scope of this vocational training. I am afraid the difficulty is that the Department of Transport has been looking at this training only from the point of view of training men who are going to stay in the merchant navy.

At page 54 of the 1949 report we find this:

> The Department of Transport was authorized to take the necessary steps to implement the recommendation—

That is, for training.

> —in such a way as not to induce merchant seamen to abandon the sea as a means of livelihood.

That was the approach of the minister's advisers, as indicated in this report, namely, that the training was to be given only in such a way that it would not induce sailors to abandon the sea as a means of livelihood. The result was, of course, that the benefits were very seriously curtailed.

For example there is the restriction that a man over thirty years of age cannot qualify for this vocational training unless special provision is made for him. His case is to be the exception, rather than the rule. I do not think there should be any age limit. If these men can benefit by vocational training, then they should be allowed to have

merchant seaman having obtained either one or other of the bonuses I mentioned a moment ago. If he did not get one of those two bonuses he is not entitled to vocational training under the orders in council.

Mr. Green: What about the young men who were too young to sign manning pool contracts?

Mr. Chevrier: What about them?

Mr. Green: Why are they not allowed to take this training?

Mr. Chevrier: I presume it is because they were too young to sign an agreement when they entered the merchant navy. My information is that there were very few who were unable to sign manning pool agreements. I do not know the age limit when war was declared, but I presume it was the legal age limit of eighteen years. There would be many men under that age who would be turned away and my information is that most of them went to serve with foreign merchant marines.

Mr. Green: If a boy served on a Canadian ship even without signing a manning pool agreement, why should he not get the training?

Mr. Chevrier: The veterans affairs committee was charged with the responsibility of going into this whole matter two years ago. That committee made a number of recommendations and I believe that those concerning the merchant marine were approved by the government. The result of that approval was these two orders in council that have been referred to. My hon. friend asks why these men who were too young are not covered by the orders in council. I can give no other answer than that the veterans affairs committee received representations, heard evidence and brought down recommendations which the government accepted. Beyond that I do not think I can go.

Mr. Green: I do not believe the veterans affairs committee received full representations on this point.

Mr. Chevrier: They certainly brought in a full report.

Mr. Green: Even if they did, that was two or three years ago. Here we have the position that the responsibility is that of the Department of Transport. It had charge of all these men during the war years. I presume the department has a record of the men who served on Canadian ships whether or not they got a bonus. I suggest that if a man served on a Canadian ship he should at least be given an opportunity to take this training. What has his age got to do with it? A man who is thirty-five needs rehabilitation just as much as a younger man. Now that the minister has the information and is aware of the need for something to be done about it I urge upon him that further consideration be given to broadening the terms of the order in council.

Mr. Brooks: With reference to the veterans affairs committee, I have not the report here but my recollection is that their recommendations were not all carried out by the department. We made a number of recommendations that received no consideration at all. I would not like the minister to be definite in saying that all the recommendations of the veterans affairs committee were carried out so far as the merchant marine is concerned.

Mr. Chevrier: I am not now and was not then a member of the veterans affairs committee but my officers inform me that all recommendations made concerning vocational training of merchant seamen were carried out.

Mr. Brooks: We are both speaking without having the record here, but I am satisfied that the record will not bear out the minister's statement.

Mr. Noseworthy: I have a copy of a telegram sent to the minister on May 20, I believe, by the Canadian merchant navy veterans association in which they imply that many hundreds of veterans had no way of learning about the vocational training benefits that were offered, and had no opportunity to see the advertisements placed by the department to which the minister referred on May 11. Has the minister any statement to make?

Mr. Chevrier: That telegram is entirely inaccurate and erroneous. I replied that there was plenty of opportunity for publication. Publication was made in the house, over the radio, and in a number of notices and advertisements. The hon. member for Halifax demanded on more than one occasion that the time limit be extended. So did the hon. member for Vancouver-Quadra and other members of the house. They also asked for the extension of the age limit. There was plenty of publicity given to the matters referred to in that telegram.

Mr. Green: Is there to be any provision made for the men who have been losing their jobs as a result of the policy announced last December? I have a press dispatch dated December 10, 1949, which appeared in one of the Vancouver papers. The heading is:

Beached Seamen Offered Training for Other Jobs

The article reads in part:

Five thousand Canadian seamen left "on the beach" by the government's order cutting the merchant marine will get vocational training.

That was the news which went out across the country last December 10. So far as I can see, absolutely nothing has been done along that line.

Mr. Chevrier: We are just getting into the position that you tried to avoid, Mr. Chairman, by your direction at the outset of this discussion. I would think the time to discuss the question of the men whose employment on the sea may be affected would be when we come to the item for the maritime commission or the item of $3 million subsidy provided following the statement made by the Prime Minister. The Prime Minister made a statement in December of last year in which he outlined the policy in respect of the transfer of ships, subsidies, and the like. That article certainly is not in accordance with the facts. Unfortunately some men will be put out of work. I will be able to deal with that when we come to it, but certainly the number is nowhere in the proximity of the figure given by my hon. friend.

Item agreed to.

Marine service—

468. Marine service steamers, including icebreakers—maintenance, operation and repairs, $3,603,070.

Mr. McLure: I should like to know how many icebreakers there are in this service, where they operate as icebreakers, and during the season when there is no ice in what capacity they are employed.

Mr. Chevrier: There are three icebreakers under this item, the *Lapointe*, the *McLean* and the *Lady Grey*. A new ship, the *C. D. Howe*, is being provided and she will be used in the dual capacity of icebreaker and for the transport of supplies to the northern part of the country. The other ships mentioned break ice in the wintertime, and at other times carry supplies to the eastern and Arctic areas, and to the various lighthouses and lighthouse depots on the east coast.

Mr. Cardiff: Will the minister tell the house the necessity for the increase of $502,000?

Mr. Chevrier: It is because of two new ships that are being brought into operation, the *C. D. Howe*, which I mentioned a moment ago, and the *Edward Cornwallis*. The *Edward Cornwallis* will operate from the Atlantic coast and the *C. D. Howe* from Quebec.

[Mr. Green.]

Mr. McLure: What company is building the *C. D. Howe*?

Mr. Chevrier: The Davie Shipbuilding Company.

Mr. Gibson: Under this item I notice that the number of wireless operators has been increased from two to six. I am rather curious to know whether this indicates a change in policy on the part of the government as to the number of wireless operators that should be carried on our ships, and if the government is setting an example for other ship operators.

Mr. Chevrier: I would not say there is a change in policy. I think it is because of the new ships. With the construction of these vessels we intend to put into effect the most modern means of communication and transportation. That accounts for the increase in the number of operators.

Mr. Gibson: These ships usually operate within a stone's throw of lighthouses, and most of the time they are close to radio stations. I would have thought you would be able to use ordinary radio telephone equipment.

Mr. Chevrier: The *C. D. Howe* and the *McLean* operate away up at Churchill and in the northeastern Arctic area, as will the *Cornwallis*.

Mr. Noseworthy: I notice one detail in this item amounting to $1,163,626 involving 773 so-called temporary assistants for which no detail whatever is given. There is just the lump sum of over a million dollars. Is there any explanation?

Mr. Chevrier: This covers the personnel of the various ships.

Item agreed to.

Marine service—

469. Construction, maintenance and supervision of aids to navigation, including salaries and allowances to lightkeepers, $4,503,495.

Mr. McLure: What bonuses have been given to lighthouse keepers, over and above their contracts, to take care of the high cost of living?

Mr. Chevrier: I think there is a misapprehension. For the most part lighthouse keepers operate under the civil service commission, and from time to time they get statutory increases and reclassifications. They would not be entitled to a bonus as such.

Item agreed to.

Marine service—

470. Agencies—salaries and office expenses, $436,505.

Mr. Cardiff: There is an increase of $65,091 in this item. Would the minister explain it?

Mr. Chevrier: Yes. There are 102 annual increases, that is statutory increases varying from $5 to $10 per month. Then there are 147 basic salary increases, which amount to $26,000.

Mr. Cardiff: Was there an increase in personnel?

Mr. Chevrier: Yes, because of the entry of Newfoundland into confederation.

Item agreed to.

Marine service—
471. Maintenance and repairs to wharves, $5,000.

Mr. Fraser: This item is said to be for the maintenance and repair of wharves, but the details show $1,500 for materials and supplies, $1,500 for travelling expenses and $2,000 for sundries. Where do the repairs come in?

Mr. Chevrier: Well, Mr. Chairman, this is a small item—

Mr. Fraser: I know it is, but I want to know why they have to travel so much without doing any repairs.

Mr. Chevrier: If my hon. friend will permit I shall try to explain it. As the committee knows, the Department of Public Works is responsible for repairs to most of the wharves under the jurisdiction of the Department of Transport, but from time to time there are minor demands made by various bodies, organizations and groups; and before it can be determined whether or not the work should come under this vote a certain amount of travelling is necessary. That is the reason for the $1,500.

Mr. Fraser: Then what are the sundries?

Mr. Chevrier: That is to cover long distance telephone calls and snow clearing.

Mr. Fraser: Do I understand that the work is looked after by public works, and you supply the material?

Mr. Chevrier: No, we do not supply the materials.

Mr. Fraser: Then what are these supplies for?

Mr. Chevrier: We do the work ourselves, in these small items.

Mr. Fraser: Then there are no salaries or wages involved?

Mr. Chevrier: No.

Mr. Fraser: How is the work done, then; by a miracle?

Mr. Chevrier: It is done by marine service employees, or other employees of the department. These are small repairs which amount to perhaps $50, $60 or $100.

Item agreed to.

Marine service—
473. To provide for Canada's share of the cost of the North Atlantic ice patrol, $20,000.

Mr. McLure: What agency does the ice patrolling in the spring of the year? Is it the same one that is covered by this item for the North Atlantic ice patrol?

Mr. Chevrier: No, this is an entirely different matter. This is done by international agreement, among several countries, under the safety of life at sea convention which was signed in London in 1929 and re-negotiated in 1948. By virtue of that international agreement Canada is assessed a certain portion of the cost of patrolling the ice in the eastern area.

Item agreed to.

Marine service—
475. Life-saving service, including rewards for saving life, $137,490.

Mr. Green: Will the minister explain this item in which there appears to have been a substantial reduction?

Mr. Chevrier: As the committee will remember, last year a relatively large amount was voted to cover the acquisition of four lifeboats, two on the east coast and two on the west coast. It has been found possible to acquire only one of those, and we have not proceeded with the other three because of the reference to an interdepartmental committee of the matter of air rescue operations. There was no use spending money until it was known what the decision would be in that regard, and that is why there is a reduction.

Mr. Green: What is the position now with respect to the air rescue reference?

Mr. Chevrier: I am afraid I cannot add anything to what I said the other day. Perhaps I should say that on two occasions I have had an opportunity of discussing the work of the committee with the chairman of the maritime commission, and I am hopeful that it will be possible to make an announcement soon.

Mr. Green: Is there any possibility of Canada establishing a coastguard service in the near future?

Mr. Chevrier: I would not like to answer that until I am in a position to deal fully with the report.

Item agreed to.

Marine service—
476. To provide subsidies for wrecking plants—Quebec and British Columbia, $65,000.

Mr. Fulton: To what firms or persons are these moneys payable?

Mr. Chevrier: To the extent of $40,000 they are payable to the Quebec Salvage and Wrecking Company Limited, and to the

extent of $25,000 to Pacific Salvage Limited, to ensure that adequate facilities are provided both east and west in case of wrecks.

Mr. Green: Is that paid on the basis of the work they do, or is it an annual retainer?

Mr. Chevrier: It is an annual contract.

Item agreed to.

Marine service—

478. Miscellaneous services relating to navigation and shipping, including grants as detailed in the estimates; and for repayment to a proper authority, or to the government of the United Kingdom, under section 296 of the Canada Shipping Act, of expenses incurred in respect of distressed seamen left behind out of Canada, including the repayment of excepted expenses, as defined in the said section, $138,809.

Mr. Lennard: Would the minister explain this item?

Mr. Chevrier: This is for the following miscellaneous activities related to navigation and shipping: examination of candidates for masters' and mates' certificates; operation of navigation schools at Yarmouth, Halifax, Saint John and Quebec for training candidates for certificates of competency; investigations into marine casualties; registration of shipping; removal of obstructions to traffic in navigable waters; grants in aid to separately operated schools of navigation at Rimouski, Kingston and Vancouver.

Mr. Lennard: Do these examiners travel about, or do the examinations take place at certain definite points?

Mr. Chevrier: Both. Some examinations take place at the schools; others are conducted by examiners who travel from the office in Ottawa.

Mr. Noseworthy: I notice that this item includes payments to the United Kingdom in connection with the repatriation of seamen to Canada, but I can find no reference to that in the details on page 295. Was any of this money spent for that purpose last year?

Mr. Chevrier: Yes, money was spent to repatriate from the United Kingdom and other parts of the world seamen who were stranded or otherwise in difficulty.

Mr. Noseworthy: Has the minister any details of the amount spent for that purpose?

Mr. Chevrier: I am sorry I do not have them available. I will see that my hon. friend gets them.

Mr. Fulton: According to the details I notice that the item for sundries has increased by some $18,000. Could the minister explain the reason for that increase?

Mr. Chevrier: The increase in sundries is made up as follows: An additional amount provided in this item for the removal of obstructions to navigation. The previous vote of $5,000 was not sufficient for even a minor job of this nature. That accounts for $17,000. Then, there is an additional amount to cover the payment of charges incurred on account of excepted expenses, those relating to deserted seamen, $1,900. This answers, in part, the question asked by the member for York South.

Item agreed to.

Marine service—

479. Steamship inspection and the carrying out of the provisions of the conventions for the safety of life at sea and load lines, $394,280.

Mr. McLure: Has the minister taken into consideration the inspection under the new rules which will be in force within a short time on all steamships, or is this item similar to the one covering inspections made under the provisions before the new regulations came into effect?

Mr. Chevrier: This is the same vote as before, and covers the same personnel, the same administrative operation.

Mr. McLure: It does not anticipate what will have to be done in the next year to make these ships safe?

Mr. Chevrier: No. Well, we do not spend money to make ships safe. The government passes regulations and it is the company that is affected by the regulations that spends the money. My answer was therefore correct, but I thought I should add that explanation.

Mr. Fulton: There is quite a heavy item of travelling expenses here, an increase of over $4,000. Could the minister explain the reason for that?

Mr. Chevrier: If my hon. friend will recall, it was said in the last two years, and rightly so, that there was not a sufficient number of steamship inspections. There were nine additional inspectors appointed, and that accounts for the increase in travelling expenses.

Mr. Green: There has been some talk during this session of adopting new regulations, for example with regard to the use of radio operators on ships. The minister has said that he would bring down amendments to the Canada Shipping Act. The session is now drawing to a close, and the house is starting morning sittings next week. I hope the minister can bring down those amendments fairly soon. Can he give us some indication as to when we may expect them?

Mr. Chevrier: I am as anxious as anyone to bring them down. I should point out to the house that it will be a rather lengthy bill, because it includes all the safety of life at sea conventions that were made at the conference in 1948. While it left my depart-

ment some time ago, it has to be approved by the Department of Justice. At this time the Department of Justice has a considerable number of bills, and other legislation that must be given consideration. I am hopeful that it will be possible to have it approved next week, but that does not mean it will be on the order paper next week. I hope it will be on the order paper early in June.

Mr. Green: Is it still the intention of the government to put through the amendments at this session?

Mr. Chevrier: Yes, it is. I am most anxious to put them through.

Item agreed to.

Marine service—
480. Marine signal service, $158,643.

Mr. Lennard: I notice in this vote there is an item of $34,000 for telegrams, telephones and postage. This amount constitutes about one-fifth of the whole item. I believe that with the air mail service we have today the department could curtail some of these telegrams and telephone calls. I know it is handy when you have a telephone at your elbow to call Vancouver or Halifax, but under present circumstances I believe some of these expenditures could be drastically curtailed. The item seems to be the same as last year's, so could the minister tell me how much of the $34,000 was used last year?

Mr. Chevrier: All of it.

Mr. Lennard: I think that is an item that could be curtailed.

Mr. Chevrier: Perhaps I should say to the hon. member that this covers the rental of various lines. The marine signal service is a service which operates on the St. Lawrence and in other parts of Canada, and must report as many as eight, ten, twenty or twenty-five times a day the passage of ships at certain points. It is a service using facilities rented from the telephone company.

Item agreed to.

Marine service—
481. River St. Lawrence ship channel—contract dredging in the St. Lawrence river and Montreal harbour, including cost of administration—capital, $3,128,052.

Mr. McLure: This item appears every year, Mr. Chairman, as an expenditure of about $3 million. What class of dredging is being done—rock dredging or just mud digging? It seems to be a large item, and apparently the channel requires dredging every year.

Mr. Chevrier: This item covers a contract entered into between the government and Marine Industries Limited for the deepening and widening of the St. Lawrence ship channel, which extends from about forty miles below Quebec to the head of the Lachine canal. It covers stone, gravel and the like. It is a contract which is now in its fourth year, and which provides for dredging to a certain depth, namely 35 feet, and the widening of the channel at certain portions, as well as provision for anchorage bases where ships can anchor at night and still be out of the channel.

Mr. Lennard: It is for one contractor?

Mr. Chevrier: Yes.

Mr. Lennard: Who is the contractor?

Mr. Chevrier: Marine Industries Limited.

Mr. Black (Cumberland): What has been the total expenditure to date for dredging, deepening and widening the channel in the St. Lawrence?

Mr. Chevrier: I think I would have to get that information for the hon. member, if he will allow me. I have not got it here.

Mr. Green: The minister said that this covers a contract, but the contract only accounts for a portion of the item. Why is it necessary to have a staff of 125 to look after this contract?

Mr. Chevrier: It is necessary, under the terms of the contract, to see to it that this work is done. We have the staff to make sure that the terms of the contract are being carried out; it is being checked, audited and so forth.

Mr. Green: Are all the 125 people occupied in checking the contract?

Mr. Chevrier: They are on various ships. If my hon. friend had been down the St. Lawrence at this time of year, and more particularly in June and July, he would notice dredges extending from Montreal harbour right down to below Quebec. There are as many as five or six ships doing this work, and it is necessary to have a crew on each ship.

Mr. Green: Is it not a contract with Marine Industries? The minister has said there is a contract with this company to do the dredging. Now, what work do the government officials do? Apparently there are 125 government officials, and the item is listed as covering contract dredging. What work do the 125 government officials do which makes up the balance of the item?

Mr. Chevrier: They prepare the plans and specifications, and tell these people what work they have to do; that is set out in the contract. Then, they supervise the work, and that includes the 125 men to whom my hon. friend refers.

Mr. Black (Cumberland): Before this item passes, I should like to ask the minister the explanation of the note which appears on

page 297 of the estimates, "contract dredging —capital—$2,939,500." As I understand it, we are passing the annual appropriations for this service.

Mr. Chevrier: I do not understand that question.

Mr. Black (Cumberland): On page 297 the minister will note in the details of this vote we are passing, "contract dredging—capital —$2,939,500." Then there is an item under it of maintenance, $300,000.

Mr. Chevrier: I am informed that is the cost of our own office, divided between capital and maintenance.

Mr. Black (Cumberland): Are we voting now capital outlays on these annual estimates?

Mr. Chevrier: Yes. We are voting an amount of $2,939,500 which is a payment that will be made to this company for the dredging of the channel.

Mr. Black (Cumberland): Are we making any appropriations out of annual expenditures for dredging or is it all borrowed money?

Mr. Chevrier: It is a payment under a contract for dredging.

Mr. Black (Cumberland): We borrow the money to pay for it?

Mr. Chevrier: No, we do not borrow the money.

Mr. Black (Cumberland): It is under capital. As I understand capital, it is borrowed money; it is capital expenditures.

Mr. Knowles: Did the minister not give the wrong figure there?

Mr. Chevrier: It is to differentiate it between the amount paid the company and the other items that are set out in the details.

Mr. Green: It is rather hard to understand that explanation. In the details we find "contract dredging, capital, $2,939,500; maintenance, $300,000." If it is a contract to do this work, why should that payment be divided into capital and maintenance? Just what is the reason? That terminology does not seem to fit the actual situation.

Mr. Chevrier: I think I get the point now. The capital is divided in accordance with the work that is done along the channel. For instance, the $2,939,500 is made up of an item of $970,000 in the Montreal harbour; $10,000 at Longue Pointe; $166,000 at Pointe aux Trembles channel; $681,000 in lake St. Peter at Yamachiche bend; $37,000 at Cap de la Madeleine; $10,000 at Becancour; $450,000 at Cap a la Roche; $5,000 at Ste. Croix; $609,000 at Brule Bank channel. That is a breakdown of the capital amount of money paid to the contractor for the work along the channel extending from Montreal to Quebec.

Mr. Green: Why is it called capital? Because apparently this money has to be spent every year. It certainly does not look like a capital item as we understand the word.

Mr. Chevrier: This is a five-year contract. This is work for one year only. According to the terms of the contract the work must be completed within a period of five years and they do about a fifth. They have the right to do a little more each year if they wish. The amount that they will do in 1950-51 is the amount as I have just read it.

Mr. Green: Next year they will do a different part of the river, is that right?

Mr. Chevrier: Next year they will do a different part of the river.

Mr. Green: What does this maintenance mean? There is $300,000 for maintenance. How does that enter into the picture?

Mr. Chevrier: That item is our own expenditure. It is to cover stone lifters and other ships of the Department of Transport that are used in conjunction with the operation and completion of this contract.

Mr. Green: So that, in addition to the contract, the government spends $300,000 for maintaining its own equipment, also engages 125 employees and then has other items such as board, $48,250; fuel, $66,000; materials and supplies, $32,000; repairs and upkeep of equipment, $70,000; and sundries, $11,463. Those are all government items over and above what is paid to this firm under the contract. Is that right?

Mr. Chevrier: The item of $2,939,500 is the item that I gave the breakdown for a moment ago. I am informed that the other items are expenditures of our own department.

Mr. Knowles: Expenditures of the minister's own department for doing what? From the estimates it looks as though they are expenditures in administering the expenditure of the $2,939,500 and the $300,000.

Mr. Chevrier: I indicated a moment ago that there was an engineering staff in the department that prepares the plans and specifications and that lays out each year the work that must be done under the contract; and the items are set out in the details.

Mr. Black (Cumberland): The minister has mentioned several localities where dredging is being done. Is that all under one contract?

Mr. Chevrier: Yes.

Mr. Black (Cumberland): It is all under one contract, the minister says. Were there different tenders called for this on a five-year undertaking or five-year contract?

Mr. Chevrier: There is just one tender called for, or rather there is just one contract. There were several tenders, if my recollection serves me aright, although it is four or five years ago now.

Mr. Fulton: What is the explanation of this item at the bottom of the detail:

Less: Amount chargeable to administration, maintenance and operation, $628,505.

How does that credit arise?

Mr. Chevrier: That is the amount that goes into the next vote: amount chargeable to administration, maintenance and operation.

Mr. Fulton: It goes into the vote next year, you mean?

Mr. Chevrier: No; into the next item, item 482.

Item agreed to.

Marine service—

483. To provide towards the construction of an icebreaking vessel to meet the St. Lawrence and northern transportation requirements (estimated cost $5,000,000) capital (revote $400,000), $2,000,000.

Mr. Brooks: Just where is this icebreaker being constructed and were tenders called? Are bigger and heavier icebreakers being built with the object in view of opening the channel of the St. Lawrence river earlier every spring? I understand that this was one of the purposes of building icebreakers, and I should like to hear from the minister whether that is correct or not.

Mr. Chevrier: As to the last question, it is rather difficult to answer it categorically or specifically, because it is the hope that the St. Lawrence will be opened up to navigation earlier each year, but that hope is not always met.

Mr. Brooks: At that point may I ask the minister if he considers that this object is altogether fair to the maritime ports of Saint John and Halifax?

Mr. Chevrier: I do not think that it is unfair to them. The icebreakers do a job not only with reference to the opening of the port but, as my friend knows, also one that has a great deal to do with avoiding flood conditions. Each year in the spring in the Laprairie basin on the south side of the river St. Lawrence in the Montreal area there is a backing of ice which causes a great deal of damage. Experience has taught us in the department that the more quickly we can get the channel opened and break the ice, the less danger there is of a backing of water. Some two or three years ago serious damage was done to both sides of the Jacques Cartier bridge. Certainly it is not done with the object of hurting in any way the maritime ports. On the contrary, the national harbours board does everything in its power by way of making available additional facilities to assist the ports. The Department of Transport has provided a number of new ships. The *Edward Cornwallis* has been launched and is now in operation, and there is provision for other ships for the maritimes.

Mr. Brooks: But opening the port of Montreal and taking trade away from the ports of Saint John and Halifax does not in any way help the maritime ports. I can understand the use of an icebreaker to do away with the condition the minister mentioned in connection with the flooding of the channel, and the danger from ice; but I do not follow his other argument.

Mr. Knight: I presume this is for the building of a new member in the icebreaker fleet. What is the definition of the term "northern" as it is found in the estimate?

Mr. Chevrier: The purpose of this icebreaker is to service the ports in the northeastern Arctic. It is to break the ice in the St. Lawrence, and from time to time replace the *McLean* in that area.

Mr. Knight: Since the minister has expressed the hope that the St. Lawrence river might be opened up, I was going to express the hope that the same thing might happen with the Hudson bay route. To what extent have icebreakers which have been used on the St. Lawrence gone into northern waters under their own steam for icebreaking purposes?

Mr. Chevrier: They are sent up north each year. The *McLean* makes an annual trip to the northeastern Arctic, and into Hudson bay to Churchill.

Mr. Knight: I know about the *McLean*. Has any other ship gone up there in recent years?

Mr. Chevrier: The *C. D. Howe* will make a journey up there.

Mr. Fulton: It will blast things out.

Mr. Knowles: That will get rid of the ice, especially the thin ice.

Mr. Brooks: The minister did not answer my question as to where this new icebreaker was being built, and also whether tenders were being called.

Mr. Chevrier: The Davie Shipbuilding Company.

Mr. Brooks: In Glasgow?

Mr. Chevrier: No, at Lauzon, Quebec.

Mr. Fulton: Is that the new aluminum icebreaker?

Mr. Chevrier: No.

Mr. Brooks: Were tenders called for construction, and what were the amounts of those tenders.

Mr. Chevrier: No, tenders were not called for.

Mr. Brooks: Is that considered good business?

Mr. Chevrier: I think it is, under the circumstances. Perhaps I could explain to the committee why that was done. The experience in the Department of Transport two years back was that when tenders were called some yards that were deserving of work were not able to get it because they were never the lowest tenderers. I do not wish to mention the names of any yards, but I know of one, which is very efficient, and to which many of the tenders were going.

Representations were made to us that that was not a fair method of procedure, and that if the Department of Transport and the government were going to build ships they should be divided as fairly as possible among the main yards. We acceded to that request and instructed the maritime commission to prepare a plan whereby the main shipyards of this country would be awarded contracts for the vessels required for the Department of Transport and other departments. By virtue of that policy I think a fair distribution has been made.

I have not the total items now, but I think I can give pretty substantial reasons for indicating why that was good policy.

Mr. Brooks: Then how did the department arrive at the amount that should be paid for the construction of these icebreakers and other vessels, if no tenders are called?

Mr. Chevrier: The maritime commission and the department were given the responsibility of making estimates of the cost of the ship. In some cases the tenders were called but not accepted; and in some cases contracts were granted on a cost-plus basis.

Mr. Fraser: In this instance these ships were costing more money than they should; is that right?

Mr. Chevrier: No, they are not.

Mr. Fraser: This one ship may cost much more. You do not know whether it is higher or lower than it should be. It definitely must be more.

[Mr. Chevrier.]

Mr. Chevrier: I am saying it is not.

Mr. Fraser: How do you know? You have no method of finding out.

Mr. Chevrier: Yes, I told the hon. member.

Mr. Fraser: The commission does not know.

Mr. Chevrier: Oh, yes, they do; and probably the hon. member would be one of the first to admit that, after a while, when we come to another item.

Mr. Fraser: Which one?

Mr. Chevrier: We will see.

Mr. Fraser: Tell me now.

Mr. Chevrier: The commission has a staff, and so has the Department of Transport.

Mr. Fraser: Are they naval engineers?

Mr. Chevrier: Some of them are. And they are able to establish the costs of the ships. Furthermore there is the auditing branch, treasury officers, not only in the Department of Transport, but in the Department of Finance, that supervises the operation of these contracts.

Mr. Fraser: All they would do is this: when accounts would come to them they would check them and pass them. They would not check items to see whether purchases could be made cheaper somewhere else.

Mr. Fulton: It seems to me that in his explanation the minister definitely said that certain shipyards—or that a certain shipyard —were getting the greater part of the work, because their tenders were consistently lower. He seemed to indicate that one shipyard was getting most of the work. Then representations were made that this was not fair, and it was as a result of those representations that the policy was instituted of dividing up the work among the various shipyards.

It seems to me that if that is the basis of the new policy—and I believe I have reproduced correctly what the minister said—then the only result can be that the cost of building these ships is going to be greater, because instead of tenders being given to the shipyard which consistently made the lowest tenders, they are given to other shipyards without calling for tenders at all. I do not believe any other conclusion can be drawn from the minister's explanation. While we are on this subject I suggest the minister should tell us who is building this particular ship, and how many naval architects there are on the maritime commission?

Mr. Chevrier: Mr. Chairman, just to recapitulate what I said: Early in 1949 the government reached the conclusion that, from the

national defence point of view, and following out the recommendation made in the report of the Canadian maritime commission, it was imperative to maintain in operation a nucleus of shipyards for construction purposes. It directed the maritime commission to determine, in so far as the government ship construction program was concerned, which yards should be given the work, in order to help them maintain a minimum of employment in their yards.

My hon. friends often complain about the fact that certain shipyards do not get contracts. That complaint has been made in the House of Commons from time to time. The attempt here was to meet the request which had been made. As a result of this policy a number of necessary government ships are at the present time being built, the major orders being as follows: naval icebreaker, Marine Industries Limited, Sorel, Quebec; Department of Transport icebreaker, Davie Shipbuilding, Lauzon, Quebec.

Mr. Green: What are the figures?

Mr. Chevrier: I am now dealing with item 483. I can give further information when we come to the other vote. Item 483 makes provision for $5 million. Then, these further ships: three naval escort vessels, Vickers, Montreal; Burrards, Vancouver; and Halifax Shipyards, Halifax; two weather ships for the Department of Transport, Marine Industries Limited, Sorel; Gate vessel, George T. Davie, Levis, Quebec; four minesweepers, Saint John drydock, Davie shipbuilding, Port Arthur shipyard and Victoria machinery depot.

So far as the cost is concerned, before we build these ships we have the advice of independent naval architects. In the case of the ship we are discussing we had the advice of German and Milne who gave an estimate of what it would cost to build a ship. We proceeded on the same basis when we built the S.S. *Abegweit*. The *Abegweit* was built on a cost-plus basis, but before we decided to build it we obtained from the same firm of naval architects, German and Milne, an estimate of the cost. We are proceeding on the same basis in connection with item 483.

Mr. Brooks: That does not tell us anything.

Mr. Fulton: When was the contract let?

Mr. Chevrier: The contract has not been signed.

Mr. Fulton: There is a note in the item, "estimated cost, $5,000,000; capital revote, $400,000." In the details it is shown that under this item in 1949-50 the sum of $1 million was authorized. I was wondering how this amount could get into the estimates last year and how there could be a revote such as is mentioned this year?

Mr. Chevrier: That was provided in the further supplementary estimates, 1949-50. It takes some time to prepare plans and specifications.

Mr. Fulton: But $1 million, surely not?

Mr. Chevrier: This is an estimate, it is not a case of voting money that has been contracted for. In this case the total cost of the ship is estimated to be $5 million and we are putting in the estimates an item of $2 million. In last year's supplementary estimates we had an item of $1 million, but it was not possible to advance the progress of the plans and specifications sufficiently to enter into a contract. The same applies this year. The plans and specifications are in course of preparation but they are not sufficiently advanced to permit the signing of a contract. They will be during the course of the year and that is why the amount is in there.

Mr. Ferrie: Will these new icebreakers be able to break ice in Hudson bay?

Mr. Chevrier: That is a difficult question to answer because it would depend a great deal on the thickness of the ice. In so far as the *N. B. McLean* is concerned, it has always been successful in getting to Churchill, sometimes under very adverse conditions, it having had some narrow escapes. This icebreaker will be more modern and I think should be stronger than the *McLean*.

Mr. McLure: How will the new boat compare with the S.S. *Abegweit*? Will it be as powerful and will it do the same class of icebreaking?

Mr. Chevrier: No, she will not do the same class of icebreaking. This is not the same kind of ship. The *Abegweit* was built as a ferry boat to operate between Prince Edward Island and the mainland and to break ice at certain seasons of the year. This ship is not in the same class. It is not going to cost as much but I suppose it will be a more modern ship.

Mr. McLure: Will she have a greater horsepower than the *Abegweit*?

Mr. Chevrier: She is to have 10,800 horsepower and may go to a maximum of 14,000.

Mr. Fulton: As I understand it, we authorized $1 million in last year's supplementary estimates, but this year we are being asked to authorize $2 million, of which $400,000 is a revote. That would indicate that we spent $600,000 of the money authorized last year.

If I am incorrect in my understanding I ask the minister to tell us what was spent last year.

Mr. Chevrier: We spent $40,000.

Mr. Fulton: Why is there only a revote of $400,000 of what was authorized last year? Why is not the revote $960,000?

Mr. Chevrier: I must confess that I cannot explain it. I am told that all we spent was $40,000, and that was spent in the preparation of plans and specifications.

Mr. Knight: To what extent is the St. Lawrence season lengthened by the use of icebreakers?

Mr. Chevrier: I am informed that it is difficult to give an exact estimate. They do help to hasten the opening of navigation but the main purpose is to prevent flooding.

Mr. Knight: At about what date in the spring would the need for icebreakers cease?

Mr. Chevrier: It varies from year to year. I think this year it was April 10; I have known it to be in March, and some years it is the end of April.

Mr. Knight: The fact that the St. Lawrence is open so much earlier than Churchill should make available to Churchill all the necessary icebreaking equipment when the season there is about to open.

Mr. Chevrier: To a large extent that is right, but one must keep in mind that a ship cannot get up to Churchill at all seasons in the year. If navigation is open here about April 10 I would think it would be difficult for the *McLean* or any other icebreaker to operate in the Hudson bay area at that time. If my hon. friend wants me to say that with the additional icebreakers more will be available for that area, I think the answer would be "yes."

Mr. Knight: May I suggest to the minister that they could go up there a little earlier than they have been going up.

Mr. Brooks: Why should they go up at all?

Mr. Knight: They certainly could go up there in May or June.

Mr. Fulton: I think this item should stand. Going back to what the minister said a moment ago, we were told that only $40,000 was spent last year when we authorized $1 million. Instead of being told that the revote this year is $960,000, it is only $400,000. This year we are being asked to authorize $2 million and it does not seem possible to reconcile the explanations. Would it not be wiser to let this item stand until a full explanation can be given? If we are in fact revoting $960,000 of what was authorized last year, not only should that be made known to the committee but it is possible that the $2 million we are being asked to authorize this year could be reduced accordingly. When the minister is dealing with that could he tell us when this contract will be signed and how long it is expected it will take to build this icebreaker?

Mr. Chevrier: In explanation of the first question asked, I am told that when these estimates now before us were prepared it was anticipated that expenditures last year would amount to $600,000 leaving a revote of $400,000 out of the $1 million voted last year. I think that covers the point. The type of contract covering this icebreaker has not yet been decided upon. Therefore I am not able to answer the question. I do not know whether it will be a management fee contract, a cost plus contract, or perhaps a firm price contract although I have some doubt that it will be. I am informed that the time it will take to build the ship will be roughly a year and a half to two years.

Mr. Fulton: Personally I am opposed to voting $2 million for a contract which is not yet signed. Not only has it not been signed but we have just been told that we do not know exactly what kind of contract we are going to have. Apparently it is quite a serious matter to decide just what the terms of the contract will be. It has been under negotiation for over a year now, and I would gather from what the minister has just said there are not any signs that it is nearing completion yet if all these other things remain to be decided. When our total expenditures are running so high I see no purpose in voting twice as much this year as we voted last year when we actually spent only $40,000 of what was voted. I do not see why the minister cannot get along with a million dollar vote this year.

Mr. Chevrier: If my hon. friend's argument is correct we will have to take out of the estimates at least five or six similar vessels. I am looking at the next page, not because I want to refer to it particularly, but there is an item to provide for the construction of an auto ferry between Yarmouth and a port in the New England states. When I made a statement in the house as to this project it received unanimous approval. That money is in the same position as item 483. The contract has not been let and the contract cannot be let for reasons that I will give when we come to the item. That applies to the weather ships and also to the ship on the east coast which are in these estimates. If my hon. friend's argument were to be followed we would never get anything done.

I am told the same thing applies to all these ships which I mentioned a moment ago. We want for the navy three naval escort vessels, a minesweeper and a gate vessel. We want a naval icebreaker for the navy, and if that argument were followed we would not get them at all.

Make no mistake about it, the Department of Finance gives all these things a pretty good check, and all departments get a pretty tough ride before treasury board when we ask for more than we are entitled to. The reason the amount is asked for is that it is anticipated that during the course of the year we will spend that money. We may not have to spend it. The reason we did not spend the $1 million we got last year was that the plans and specifications were not forthcoming nearly as quickly as we expected they would be, because of certain new technical developments in the field of icebreakers. I hope my hon. friend will not pursue his argument because it would cause some of his good friends on that side of the house to lose vessels which I am sure they would not want to lose, and which I am sure the people in those areas want to have.

Mr. Fulton: That argument does not follow at all. What I have said is that we are faced with a contract which is not even signed yet, and we are being asked to vote $2 million for it. No assurance is given that the money will be required this year. In the case of the other vessels, if we could be assured that there is a good chance the money will be required this year then we would be willing to vote it, but if the situation is the same as the minister has indicated with respect to this contract then I am not sure, although we all agree that the contracts should be let and construction should proceed, that we should be required to vote large sums of money in advance of the signing of the contracts or in advance of a reasonable prospect that the contracts will be signed.

Mr. Chevrier: I am giving my hon. friend that assurance now. For instance, with reference to the Yarmouth ferry, the maritime commission and others are working on the plans and specifications, and if we do not get the $1 million involved there, and the $2 million under the item now before the committee, I would be the first one to be criticized because we were not moving fast enough. If I followed the argument of my hon. friend, then when I came back next year I would be asked why we did not move more rapidly and I would have to say "Oh well, the hon. member for Kamloops said that since the contract was not signed we should not have the money in the estimates." I do not want to be unfair or derogatory but the position is a ridiculous one.

Mr. Fulton: It certainly is, a revote of $400,000 and you tell us you only spent $40,000.

Mr. Chevrier: If my hon. friend understands me, the position taken by him is a ridiculous one. The proof of it is that work in this particular case has been started, and quite often contracts are not given prior to the voting of the money. I think that is a natural position to take.

Mr. Green: Why do they start work before a contract is signed? Does that not prejudice the making of a proper contract?

Mr. Chevrier: I do not think it does. They have a letter of intention to proceed. That practice is not uncommon.

Mr. Green: In what other departments of the government is a practice of that kind followed?

Mr. Chevrier: By virtue of the statement I made and the policy I announced a moment ago, it is being followed in the case of all these ships.

Mr. Lennard: Do I understand as to this revote of $400,000 there was $550,000 paid out for construction that has taken place so far?

Mr. Chevrier: No.

Mr. Lennard: I may be dense but I do not understand this revote of $400,000. You say there was only $40,000 spent for plans. I cannot get it through my head. I do not see why that is in there at all.

Mr. Chevrier: I do not prepare the estimates. The Department of Finance arranges them. The explanation I gave a moment ago to the hon. member for Kamloops was that when these estimates were prepared last year it was anticipated that the expenditures last year would amount to $600,000 leaving a revote of $400,000 out of the $1 million voted last year.

Mr. Lennard: But there was only $40,000 spent.

Mr. Chevrier: That is right.

Mr. Green: When were the estimates prepared?

Mr. Chevrier: The main estimates were prepared in November, 1949.

Mr. Green: Because it would appear that the situation is that the completion of a contract has not been possible at as early a date as was expected by the department, and

therefore the amount of money is not required that it was thought would be required. Is that the position?

Mr. Chevrier: That happens from time to time.

Mr. Green: I can understand that but is the minister sure that in the present fiscal year he will require this $2 million?

Mr. Chevrier: Yes, I am.

Mr. Green: In order that the contract may be proceeded with.

Mr. Chevrier: As much as any person can be sure, I am.

Mr. Green: There is one thing about the whole picture that worries me quite a bit, and that is whether there is any method of keeping the price down to a fair figure. The minister will remember that during the war there was some provision—I am not sure whether or not it was in the contracts—whereby after ships had been built the department of munitions and supply went back and checked the costs very carefully, and I believe in many cases large amounts had to be paid back. The minister will know whether I am correct in that statement. Is a course of that kind to be followed here? I urge that some such plan be put into effect because otherwise these costs may just run wild. It seems to me where the government is letting these contracts without tenders there must be the most careful check, and also wide power to cut down the figure asked after the work has been done and it is possible to audit all the expenses. Is it the intention to have a contract of that type?

Mr. Chevrier: During the war—I am familiar with it because I had to make a special study of it—in the war expenditures committee we did examine various kinds of contracts. We came to the conclusion that fixed price contracts were of course the best; but we had to derogate from that practice on many occasions, and the next best was the cost plus percentage contract, the cost plus management fee contract, and various other kinds of bonuses added to the cost plus contract. During those days there was a renegotiation branch of the department of munitions and supply, which had auditors of its own together with those of treasury; and when it was discovered that costs were greater than they should be certain amounts of money were renegotiated. I am told that a similar procedure of renegotiation will be followed in all these contracts.

Mr. Green: Has the minister the facilities in his department for carrying on renegotiations?

Mr. Chevrier: I am told that is to be done by the comptroller of the treasury.

[Mr. Green.]

Mr. Green: Has the minister power under existing legislation to enter into contracts of that kind? I doubt very much whether there is that power.

Mr. Chevrier: I am told that these contracts contain a clause which is equivalent to renegotiation. In other words if the costs are higher than they should have been, there will have to be a renegotiation or a repayment after audit.

Mr. Green: Has any consideration been given to following a tender system and then paying subsidies in order to help out the yard the government believes should have the work? The tender system would at least provide a check on the figures. The present arrangement appears to be a subsidy, in effect; that is what it amounts to. These firms which cannot build ships as cheaply as some other firms are getting the work at an increased price, so actually the government is paying a subsidy on at least some of these ships. Has any consideration been given to the use of tenders plus subsidies?

Mr. Chevrier: No.

Mr. Green: Would anything of that kind be feasible?

Mr. Chevrier: I am informed that it would not be. I am told by one of the officers that the position then would be even worse than it is now.

Mr. Black (Cumberland): The minister told the committee that he was being protected in letting these contracts without tenders through the estimates of firms of naval architects; and he mentioned one firm, German and Milne, who gave the department an estimate when the ferry *Abegweit* was under construction. Would the minister inform the committee what was the estimated cost of this boat, and what was the ultimate cost?

Mr. Chevrier: I can only give it from memory, but I know the point my hon. friend has in mind. He is trying to make the point that the estimate given was far less than the final cost. That is true; it was less by a million and a half or two million dollars. The point there, however, is that the contract was given at a time when prices had not started to go up on account of the war. The ship was finished in 1947, I think, several years after the contract had been let. There was a very full discussion in the house as to the reason for the increase. In fact German and Milne, after having given the original estimate, seeing that it took so long to build the ship because of the difficulty in getting materials, revised their estimate on

at least one occasion. That matter was fully discussed in the house and I think satisfactorily explained.

Item agreed to.

Marine service—

484. To provide towards the construction of a lighthouse supply and buoy vessel for service in the maritimes (estimated cost $1,500,000)—capital, $200,000.

Mr. Green: Is this the same sort of transaction?

Mr. Chevrier: Yes, it will be.

Mr. Fulton: Has the contract been let?

Mr. Chevrier: No, it has not. The plans are not completed. They are in the course of preparation, but are not finalized.

Mr. Green: Can the plans be completed, the contract let, and $200,000 worth of work done within the fiscal year?

Mr. Chevrier: Yes, because it is a relatively small vessel. It is of the nature of the *Edward Cornwallis,* which took a year and a half to complete.

Mr. Green: What firm is going to do this job?

Mr. Chevrier: The contract has not been awarded.

Mr. Green: Is it not unusual that we should be asked to vote money before we even know what firm is going to do the work?

Mr. Chevrier: That was the position in reference to the *Cornwallis.* We started by asking for $50,000 or $100,000 for plans and specifications, and this is $200,000.

Item agreed to.

Marine service—

485. To provide towards the construction of a service vessel for the eastern Arctic patrol (estimated cost $2,400,000)—capital (revote), $600,000.

Mr. Fulton: What are the particulars of this item?

Mr. Chevrier: This is the *C. D. Howe,* which is now practically completed. This is to cover the balance of the payments.

Mr. Fulton: What firm built that boat?

Mr. Chevrier: The Davie Shipbuilding Company.

Item agreed to.

Marine service—

486. To provide towards the construction of an auto-ferry vessel for service between Yarmouth, N.S., and the New England states (estimated cost $3,000,000), subject to an agreement being entered into on the part of the province of Nova Scotia for a contribution, upon such terms and conditions as the governor in council may determine, up to 50 per cent of the cost of construction but not exceeding $1,500,000—capital, $1,000,000.

Mr. Black (Cumberland): I should like the minister to make a statement with respect to this item. This is the ferry being built to accommodate tourists between southern Nova Scotia and the state of Maine. I understand that fifty per cent of the cost is to be paid by the province of Nova Scotia. Would the minister make a statement?

Mr. Chevrier: What was the question?

Mr. Black (Cumberland): I should like to know from the minister what progress is being made in the construction of the ferry to serve tourist traffic between southern Nova Scotia and the state of Maine.

Mr. Chevrier: As announced to the house some time ago, the government decided to defray one-half the cost of construction of a ferry vessel between Yarmouth and a point in the state of Maine.

Mr. Black (Cumberland): Has that point been decided yet?

Mr. Chevrier: I will come to that. Eastern Steamship Lines, which operated the service, indicated to the maritime commission last year that they would not operate it after this season. So, after consultation with the government of Nova Scotia it was decided that each government would defray one-half the cost of construction, and a committee was set up to deal with the project. That committee was composed of C.N.R. officials, transport officials, maritime commission men, and I think someone from finance, together with representatives of Nova Scotia. This committee has met on several occasions. It is they who will decide the nature and type of the vessel. I believe that has been pretty well decided; and they will also decide the port at which the ship will call on the American side. That is still under discussion.

Mr. Coldwell: Who will operate the ship?

Mr. Chevrier: The Canadian National Railways, I hope.

Item agreed to.

Railway service—

487. Repairs and expenses in connection with the operation and maintenance of official railway cars under the jurisdiction of the department, $64,000.

Mr. Coldwell: Mr. Chairman, I was going to ask how many private railway cars are involved in this expenditure. Is this to cover the repair or reconditioning or air-conditioning of one of the cars, which was not air-conditioned heretofore?

Mr. Chevrier: No, it is not. This covers the cost of operation, maintenance, running repairs and general overhaul of five official railway cars, two of which are the cars of the governor general; one is the car of the Prime Minister; one the car which is assigned to

cabinet ministers and distinguished visitors; and No. 104, a car which has always been assigned to the Minister of Transport.

Mr. Coldwell: Is the car which was formerly used by Mr. Mackenzie King now air-conditioned?

Mr. Chevrier: I could not say. I know it has gone back to the railway. It was traded for another car, one of the five that are now in operation.

Mr. Knowles: Is No. 104 air-conditioned?

Mr. Chevrier: Yes, it is. I do not use it nearly as often as I should like.

Item agreed to.

Railway service—
488. Hudson Bay Railway—construction and improvements—capital, $35,000.

Mr. Knight: What is this expenditure for?

Mr. Chevrier: It is for capital expenses. Each year there are two votes concerning the Hudson Bay railway, one to cover capital expenditure and the other to cover the deficit of the railway. This covers: first, the construction of four new standard section houses between Amery and Churchill, $16,000; second, material, 40,000 rail anchors, $16,000; third, provision for contingencies, $2,000; fourth, engineering supervision, $1,000.

Item agreed to.

Railway service—
489. Hudson Bay Railway—to provide for the difference between the expenditures for operation and maintenance and revenue accruing from operation during the year ending March 31, 1951, not exceeding $400,000.

Mr. Helme: I notice there is a reduction of $100,000 in this item over that of a year ago. We are all glad to see that reduction, although I do not know what brings it about. It may be due to better operation of the route during the last season, or it may be due to a more optimistic outlook for the handling of grain through the port in the coming year. Those of us who come from the west are looking forward to the day when an item such as this will not be necessary. I am sure we feel that if the fullest possible use could be made of the port this item would disappear from the estimates.

We have a very short season in that part of the country, but the season we do have is not being used to the fullest extent. The 1949 official season was about 65 days. During 20 of those days there was not a single ship in the harbour; for 27 days there was only one ship at a time, and for 18 there was more than one. If we are to have an economic use of this port, it is only reasonable that it be used to the fullest possible extent. We have the railway and the port facilities and I should like to see them used as much as possible. It is my understanding that the men who are sent there to help in the operation of the facilities have to be paid whether or not they are working. Those of us who are from the west are greatly concerned about the Hudson bay route, and we look forward to seeing it used to the fullest possible extent.

Mr. Coldwell: May I ask the minister what use is to be made of the port this year? I saw a statement the other day by Mr. Dalgleish of the Dalgleish Lines to the effect that, while it was expected there would be more freight incoming this year, the difficulty was in getting cargoes for the outward bound ships. I quite agree with the member for Prince Albert, and the other members from the west, that we are all anxious to see proper use made of this port. The Hudson bay route association in western Canada has been doing everything in its power to get business for that port. It has never had a really thorough tryout, but many of us believe it is an economically feasible proposition from the point of view of the western grain producer, and particularly if the grain were there so that the ships could be loaded.

We need to encourage two-way traffic. While there has been a considerable increase in the amount of freight brought in, we do not want to see the outgoing ships without cargo, or ships not coming in, as is the case with the Dalgleish line who used that port for some years. Could the minister tell us something about the provisions for this year?

Mr. Chevrier: To deal first with the question of the hon. member for Prince Albert, the reason for the decrease in the deficit is an increase in the revenue. I am happy to say that business was much better than expected.

Dealing with the question of the member for Rosetown-Biggar I am unfortunately not able to tell him how much wheat will be moved out of Churchill. It is difficult to do that at this time. I can say though that in the last four years there has been a considerable increase. In 1946-47, the number of bushels moved was 1 million. It rose in the last fiscal year to 5,719,000 bushels. I hope the increase will continue this year.

Mr. Coldwell: Does the minister know what grain is in storage in the elevator ready for shipment?

Mr. Chevrier: I could not say, but I could get that information. I can deal with it when we come to the national harbours board item concerning the port of Churchill. It really is the item which concerns the elevator, not the railway.

Mr. Coldwell: All right.

Mr. Chevrier: It is true that the difficulty about Churchill is that there is outgoing cargo, but there is no incoming cargo.

Mr. Coldwell: It doubled last year.

Mr. Chevrier: Yes, but you will be interested in knowing that representations were made by the Hudson bay route association, which saw the Prime Minister and others quite recently. Because of the representations which were made by them, I made the announcement in the house which I think will be very helpful. I hope it will be possible, from time to time, to assist this group, because I am sure the house would like to see more business directed through Churchill.

Mr. Ferrie: While this route is being considered, I may say that I do not see any estimate covering the survey of the Lynn lake route for the Hudson Bay railway. Is anything being done about that this year?

Mr. Chevrier: No, this matter just deals with the operation of the Hudson Bay railway itself. Any item covering a branch line, if there is to be one, would be in a supplementary estimate.

Mr. Knight: Mr. Chairman, I should like to join with my colleagues of the various political parties from the west in saying that I am very pleased now at the increased amount of activity there seems to be about the port of Churchill.

Mr. Ferrie: You have some Liberal members down here now.

Mr. Knight: I may say to the hon. member, as this house and the minister well know, I have been talking about this thing for the last five years; that would be my answer.

There is no doubt that grain is beginning to move towards the port of Churchill a great deal earlier this year than it has before. As a matter of fact, my own estimate is that it is about a month earlier. As I say, I have been making speeches on this subject at various times; in fact, I made one earlier this session. I do not want to repeat what I said before. I was interested in the minister's statement that the reason there was a lower deficit was that there was more revenue. I may point out the self-evident fact that if still more use is made of the port there will be a still smaller deficit; that is the thing for which we have been pleading for years. It has been proven, I believe, that 15 million bushels passing over that route would cancel out the deficit, and after that we might even expect a small amount of profit.

I should like to thank the minister for his support, and particularly for the support which the government has given and the assurances given to the delegation which came down here. I may say that a member of that delegation came from my own city of Saskatoon. I think it was Mr. Woodward who presented the case to the government and who was for many years editor of our local paper there. I think a tribute should be paid here, if it is paid to any man; if this port ever does fulfil the expectations which some of us have for it, I think it will be largely due to the efforts of Mr. Frank Eliason, the present secretary of the Hudson bay route association; he is a man who has served that association under its various names but always with the one purpose in mind, namely that our people of the prairie west should make more use of the port that they have at their own back door.

Item agreed to.

Railway service—

491. Strait of Canso—transportation improvements and facilities—capital (revote $200,000), $2,000,000.

Mr. Black (Cumberland): Before this item carries I should like a statement up to date from the minister advising us just what progress has been made with respect to drawing up the plans of the Canso bridge and the letting of the tenders. The public in Nova Scotia have for years been anxious to secure this bridge and they have accepted the assurances from the minister and the government that progress was being made with this undertaking and that the contract would be called for early this year. This calling for contracts was delayed, and the explanation was given by the minister and the premier of Nova Scotia; and notwithstanding the disappointment over the delay, the public in Nova Scotia have accepted the statement of the minister but they would like to know that the project is being proceeded with at an early date.

Mr. Chevrier: I do not know whether my hon. friend was in the house when some weeks ago I made a statement concerning a new development that had taken place. It was owing to the fact that the original plans were based on a roadway of twenty-two feet, but when discussions were entered into between the government and the provinces with regard to the trans-Canada highway, it was decided that the minimum width of that highway should be twenty-four feet. Hence certain revisions had to be made on the Canso project. I saw Dr. Pratley quite recently; he is the engineer in charge. He was one of the members of the board who recommended the low level bridge, and he is our consulting engineer in connection with the project. He is the one who is preparing the plans and specifications. He

informed me that these plans and specifications are now almost complete. He has already entered into discussions with the engineers of the Canadian National Railways and of the province of Nova Scotia, and will continue those discussions. Those plans that are now in the course of preparation and almost complete must of course be approved by the engineers of the government of Nova Scotia, of the Canadian National Railways and the board of transport commissioners. I presume the plans will have to be in their hands for some time before they receive final approval. But just as soon as they have been approved by those three groups of engineers Dr. Pratley assures me that he will then be in a position to call for tenders.

Mr. Black (Cumberland): Can the minister indicate more definitely when he expects that the tenders will be called for?

Mr. Chevrier: I would say about August; but that again, of course, is subject to the time that the engineers will want to give to the study of the plans. I make this additional point. This is a particularly difficult project. Hon. members will recall the difficulty that there was from the point of view of the board of engineers and the discussion that was held, my own officers being of a certain view and the board of engineers being of another view. I should not like to be tied down to August, although I hope it will be then.

Mr. Black (Cumberland): I realize that it is a difficult undertaking and that we have reliable engineers dealing with it. In this connection I should like to ask the minister if any progress is being made in the construction of the approaches of the bridge on both sides, on the Nova Scotia side and on the Cape Breton Island side.

Mr. Chevrier: No. I do not think it would be wise to touch this until the plans and specifications have been approved by both groups of engineers.

Item agreed to.

Maritime Freight Rates Act—

494. Amount required to provide for payment from time to time during the fiscal year 1950-51 of the difference (estimated by the Board of Transport Commissioners for Canada and certified by the said board to the Minister of Transport, as and when required by the said minister) occurring on account of the application of the Maritime Freight Rates Act, between the tariff tolls and the normal tolls (referred to in section 9 of the said act) on all traffic moved during the calendar year 1950 under the tariffs approved by the following companies: Canada and Gulf Terminal Railway; Canadian Pacific Railway, including: Fredericton and Grand Lake Coal and Railway Company and New Brunswick Coal and Railway Company; Cumberland Railway and Coal Company; Dominion Atlantic Railway; Maritime Coal, Railway and Power Company; Sydney and Louisburg Railway, $1,450,000.

[Mr. Chevrier.]

Mr. Black (Cumberland): Before these items on maritime freight rates carry, in view of the material increase in the freight rates which so greatly affect all the business and traffic in the maritimes it would seem to me that the increase in the estimates over the previous year will not be nearly enough to provide for the proportionate increase in the freight cost.

Mr. Chevrier: That will be covered by a supplementary item if there is reason for it.

Item agreed to.

General—

497. To provide for the expenses of the royal commission on national transportation, $100,000.

Mr. Green: That provides for the costs of the royal commission on national transportation. Can the minister tell us how much has been spent on that commission up to the end of the last fiscal year and whether this vote of $100,000 will complete the expenditure?

Mr. Chevrier: $278,000. I am informed that this vote of $100,000 will meet the cost for the first three months of this fiscal year.

Mr. Fulton: And it is expected that they will bring down their report about that time, is it?

Mr. Chevrier: No, I am afraid they will not. The forecast now is September or December.

Item agreed to.

Air service—

498. Air service administration, $203,890.

The Chairman: Shall the item carry?

Mr. Green: I suggest that we let this item stand, Mr. Chairman. It is eleven o'clock.

Item stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow we shall take up the third reading of the Aeronautics Act, then Bill No. 179, to amend the Research Council Act. Then we shall continue with the estimates of Transport. Then, if we conclude these estimates, we shall take up the estimates of the Department of Citizenship and Immigration.

Mr. Coldwell: May I say that I was hoping that tomorrow we might go to item 524 of the transport estimates in order that there might be some discussion of freight rates in the house. That is what I asked on orders of the day this afternoon. The minister said that he would give it consideration. I should like to know whether it is possible that we might do that tomorrow, because I think this is a matter of some urgency. I think that the house should have an opportunity of discussing it and of expressing some opinion on a problem which is a grave one from the point of view of those of us who live on the

prairies, in the maritimes and in British Columbia.

Mr. Chevrier: Mr. Speaker, there are about ten or twelve items still left unpassed before we get to the item of the board of transport commissioners.

Mr. Coldwell: The only thing is this. It would seem that we have been dealing with railways. This is a railway item, and the item that was to stand just now dealt with air service.

Mr. Knowles: There are over twenty items.

Mr. Coldwell: There are over twenty items between.

Mr. Fulton: Twenty-six items.

Mr. Chevrier: I should like to get on with these items. Suppose we let the matter stand until six o'clock tomorrow and see what happens after that. Since my hon. friend spoke to me, others have said that while they are willing to have a debate on the decision of the board of transport commissioners as handed down today, they feel they should be given time to consider the effect of the decision, and that they would not have an opportunity of doing that if the debate were brought on tomorrow. I am in the hands of the house, ready to go on at three o'clock tomorrow. But I should like to go on until six o'clock with these estimates—

Mr. Coldwell: That would mean nine o'clock tomorrow night, and it would give only two hours. I can understand that some hon. members might like to consider the report. But I do not like to see the House of Commons prevented from discussing this by, we will say, the fact that an appeal may be lodged—and undoubtedly if there is going to be an appeal it will be made within a few days.

Mr. Chevrier: The only appeal there can be is to the governor in council, and I think Mr. Speaker has already ruled that an appeal to the governor in council does not prevent the House of Commons from discussing the judgment.

Mr. Coldwell: Well, if that is so—

Mr. Chevrier: I am not quite sure about that; but that is my memory on the point. I believe that was the ruling by Mr. Speaker. The reason he prevented discussion before was that it was a review of the previous order. I certainly will not object to a discussion.

Mr. Coldwell: Then it is agreeable to the minister to go on after six o'clock tomorrow night? We could get along for a time.

Mr. Chevrier: I do think it would be better if it were set aside for another day.

Mr. Drew: I know there are those who would like an opportunity to examine the decision of the board of transport commissioners. If this item could be stood over until, let us say, Monday afternoon, then those who wish to discuss the matter would know in advance that it is to be dealt with and would have had an opportunity to examine the findings of the board of transport commissioners.

Mr. Chevrier: I am quite agreeable to any arrangement. I must point out however that next week I shall hardly be able to be here. I have a commitment for the international trade fair on Monday; then ICAO sits on Tuesday, Wednesday and Thursday, and I must be there. The earliest day for me next week would be Friday. That is the only day I would have available.

Mr. Johnston: If the minister would just name a day, it would not matter which day. Let there be a day set aside for this. I would be agreeable to that, because I am interested in it. If the minister wishes to make it Thursday or Friday of next week, that would be all right.

Mr. Chevrier: Friday would be all right with me, if it would be agreeable to the house.

Mr. Coldwell: So long as we are not delaying it too long. That is the only point that worries me.

Mr. Johnston: Friday would be all right.

Mr. Chevrier: Of course, unless my estimates could be moved forward to the point where we would come to the item for the board of transport commissioners early tomorrow—under those circumstances it would be all right.

Mr. Drew: I do suggest that this matter is of sufficient importance that it would be desirable if at all possible to let members have an opportunity of examining the findings before the discussion takes place.

Mr. Coldwell: So long as they do not delay too long, and the rates are put into effect, or something of that kind.

Mr. Chevrier: Then, let us say Friday.

Mr. Coldwell: They have to publish a tariff.

Mr. Chevrier: There is an allowance of fifteen days. It would be within the fifteen days if we had it next Friday.

Mr. Coldwell: I would agree to next Friday.

Mr. Chevrier: Then, let us leave it at Friday, subject to an appeal for an earlier date being made, if something of an urgent nature comes up.

Mr. Coldwell: That is satisfactory.

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

[The following items were passed in committee of supply]:

DEPARTMENT OF TRANSPORT

Marine service—

467. Nautical service administration, $194,262.

468. Marine service steamers, including icebreakers—maintenance, operation and repairs, $3,603,070.

469. Construction, maintenance and supervision of aids to navigation, including salaries and allowances to lightkeepers, $4,503,495.

470. Agencies—salaries and office expenses, $436,505.

471. Maintenance and repairs to wharves, $5,000.

472. To provide for breaking ice in Thunder bay, lake Superior, and other points deemed advisable in the interests of navigation, $30,000.

473. To provide for Canada's share of the cost of the North Atlantic ice patrol, $20,000.

474. Administration of pilotage, including authority for temporary recoverable advances; contributions, and the operation and maintenance as required, of necessary pilotage vessels in certain pilotage districts, $284,670.

475. Life-saving service, including rewards for saving life, $137,490.

476. To provide subsidies for wrecking plants—Quebec and British Columbia, $65,000.

477. Grants of $300 to each of the Royal Arthur Sailors' Institute at Port Arthur, Ontario and the Welland Canal Seamen's Institute, $600.

478. Miscellaneous services relating to navigation and shipping, including grants as detailed in the estimates; and for repayment to a proper authority or to the government of the United Kingdom, under section 296 of the Canada Shipping Act, of expenses incurred in respect of distressed seamen left behind out of Canada, including the repayment of excepted expenses, as defined in the said section, $138,809.

479. Steamship inspection and the carrying out of the provisions of the conventions for the safety of life at sea and load lines, $394,280.

480. Marine signal service, $158,643.

481. River St. Lawrence ship channel—contract dredging in the St. Lawrence river and Montreal harbour, including cost of administration—capital, $3,128,052.

482. River St. Lawrence ship channel—operation and maintenance, $628,505.

483. To provide towards the construction of an icebreaking vessel to meet the St. Lawrence and northern transportation requirements (estimated cost $5,000,000)—capital (revote $400,000), $2,000,000.

484. To provide towards the construction of a lighthouse supply and buoy vessel for service in the maritimes (estimated cost $1,500,000)—capital, $200,000.

485. To provide towards the construction of a service vessel for the eastern arctic patrol (estimated cost $2,400,000)—capital (revote), $600,000.

486. To provide towards the construction of an auto-ferry vessel for service between Yarmouth, N.S., and the New England states (estimated cost $3,000,000), subject to an agreement being entered into on the part of the province of Nova Scotia for a contribution, upon such terms and conditions as the governor in council may determine, up to 50 per cent of the cost of construction but not exceeding $1,500,000—capital, $1,000,000.

Railway service—

487. Repairs and expenses in connection with the operation and maintenance of official railway cars under the jurisdiction of the department, $64,000.

488. Hudson Bay Railway—construction and improvements—capital, $35,000.

489. Hudson Bay Railway—to provide for the difference between the expenditures for operation and maintenance, and revenue accruing from operation during the year ending March 31, 1951, not exceeding, $400,000.

490. Prince Edward Island car ferry and terminals—construction and improvement of terminal facilities—capital (revote $238,568), $354,000.

491. Strait of Canso—transportation improvements and facilities—capital (revote $200,000), $2,000,000.

492. Canadian government railways—enlargement of dock and terminal facilities at North Sydney, N.S. (estimated cost $2,000,000)—capital, $1,500,000.

Maritime Freight Rates Act—

493. To hereby authorize and provide for the payment from time to time during the fiscal year 1950-51 to the Canadian National Railway Company of the difference (estimated by the Canadian National Railway Company and certified by the auditors of the said company to the Minister of Transport as and when required by the said minister) occurring on account of the application of the Maritime Freight Rates Act, between the tariff tolls and the normal tolls (upon the same basis as set out in section 9 of the said act with respect to companies therein referred to) on all traffic moved during the calendar year 1950 under the tariffs approved on the eastern lines (as referred to in section 2 of the said act) of the Canadian National Railways, $5,869,000.

494. Amount required to provide for payment from time to time during the fiscal year 1950-51 of the difference (estimated by the Board of Transport Commissioners for Canada and certified by the said board to the Minister of Transport, as and when required by the said minister) occurring on account of the application of the Maritime Freight Rates Act, between the tariff tolls and the normal tolls (referred to in section 9 of the said act) on all traffic moved during the calendar year 1950 under the tariffs approved by the following companies: Canada and Gulf Terminal Railway; Canadian Pacific Railway, including: Fredericton and Grand Lake Coal and Railway Company and New Brunswick Coal and Railway Company; Cumberland Railway and Coal Company; Dominion Atlantic Railway; Maritime Coal, Railway and Power Company; Sydney and Louisburg Railway, $1,450,000.

Pensions and other benefits—

495. Amount required to pay pensions at the rate of $300 per annum to former pilots: Alphonse Asselin; Raoul Lachance, Adelard Delisle, George Larochelle, Wilhelm Langlois, Arthur Baquet, Auguste Santerre, Jules Lamarre, $2,400.

496. Railway employees' provident fund—to supplement pension allowances under the provisions of the Intercolonial and Prince Edward Island Railway Employees' Provident Fund Act so as to make the minimum payment during the period January 1, 1950, to March 31, 1951, the sum of $30 per month instead of $20 as fixed by the said act, $15,500.

General—

497. To provide for the expenses of the royal commission on national transportation, $100,000.

B—General—

Air transport board—

523. Salaries and other expenses, including the Canadian delegation to the international civil aviation organization, $229,335.

HOUSE OF COMMONS

Friday, May 26, 1950

The house met at three o'clock.

NATIONAL DEFENCE

CHANGE IN PERSONNEL OF SPECIAL COMMITTEE ON BILL NO. 133

Mr. W. G. Weir (Portage-Neepawa) moved:

That the name of Mr. Hunter be substituted for that of Mr. Thomson on the special committee on Bill No. 133, the National Defence Act.

Motion agreed to.

CANADA GRAIN ACT

ELEVATORS DECLARED TO BE FOR GENERAL ADVANTAGE OF CANADA—VARIOUS AMENDMENTS

Hon. Alphonse Fournier (for the Minister of Trade and Commerce) moved for leave to introduce Bill No. 249, to amend the Canada Grain Act.

Some hon. Members: Explain.

Mr. G. J. McIlraith (Parliamentary Assistant to the Minister of Trade and Commerce): The Canada Grain Act is one of the statutes of 1930, but there is still one section of a 1927 act in existence. Both these acts contain schedules of elevators, and one list is known to be more than seventy per cent inaccurate because of the changes necessary as a result of the passage of time. The new bill being introduced will do away with these schedules and provide that all elevators shall be listed as works for the general advantage of Canada.

The bill also provides that elevator storage of foreign grain intended to be re-shipped out of Canada will be subject to the regulations of the board, in order to ensure that adequate storage is available for the handling of western grain on a priority basis.

The bill also provides that mills that are licensed as country elevators may unload wheat from railway cars for milling or manufacture. At the present time country elevators may unload wheat only when it is to be used for seed or feed.

The bill also provides that the weigh-over of grain in elevators, now required to be made in each year, may be deferred by the board of grain commissioners when such weigh-over is impracticable for certain reasons, such as where an elevator is so congested that a weigh-over is not possible. The bill provides for a maximum time limit beyond which the weigh-over cannot be delayed.

The bill also provides for a change in the publication of the regulations of the board so that a consolidation may be published at the beginning of the crop year. At the present time some confusion exists owing to the fact that the regulations are published at the wrong time to meet the needs of the trade.

Motion agreed to and bill read the first time.

NATIONAL PARKS ACT

LEVYING OF TAXES FOR CERTAIN WORKS OR SERVICES—AMENDMENT TO BILL NO. 235

Hon. Alphonse Fournier (for the Minister of Resources and Development) moved that the house go into committee at the next sitting to consider the following resolution:

That the following provision be inserted as subsection three of section three of Bill No. 235 (letter O-6 of the Senate), intituled "An act to amend the National Parks Act" now before the house:

"(3) Paragraphs (p) and (q) of subsection one of section seven of the said act, as enacted by section nine of chapter sixty-six of the statutes of 1947, are repealed and the following substituted therefor:

'(p) levying taxes upon the residents of a park or upon the interest of any person in land in a park in order to defray the cost of health and welfare services supplied to such residents by a province pursuant to an agreement made under paragraph (o) or supplied to such residents by the government of Canada;

(q) levying taxes upon the interest of any person in land in a park in order to defray, in whole or in part, the cost of the establishment, operation, maintenance and administration of any public works, improvements or utility services referred to in paragraph (i) and prescribing that such taxes may be levied with respect to any or all of the following lands (i) all lands in the park; (ii) lands in such area or areas in the park as may be designated by regulations, and (iii) lands benefited by such public works, improvements or utility services;

(r) the sale or forfeiture of lands for non-payment of taxes;

(s) the abatement and prevention of nuisances'."

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the consideration of the house.

Motion agreed to.

Inquiries of the Ministry

FLOOD CONDITIONS

INQUIRY AS TO REQUEST BY MANITOBA FOR INTERIM GRANT

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): I should like to direct a question to the Minister of Justice. Has the government of Manitoba requested the federal government to make an interim grant in connection with the flood? If not, can the minister say whether the federal government has advised the Manitoba government that an interim grant will be available on request?

Hon. Stuart S. Garson (Minister of Justice): I think the hon. member has mistaken the identity of the minister on the front bench to whom he should address his question. If I am not mistaken, it should be addressed to the Prime Minister. I have no knowledge whether the government of Manitoba has or has not made such a request.

Mr. J. A. Ross (Souris): I should like to ask the same question of the Minister of Finance that the hon. member for Winnipeg North Centre directed to the Minister of Justice. It is a matter for the Minister of Finance.

Mr. Speaker: Order. Is the Minister of Finance prepared to answer the question?

Mr. Abbott: I am prepared to answer any question, Mr. Speaker, but of course I cannot always say that the answer will be satisfactory.

Mr. Ross (Souris): May I repeat the question?

Mr. Speaker: Yes.

Mr. Ross (Souris): The Prime Minister was asked the same question the other day, and he was not sure of the answer either. Has a request been made by the government of Manitoba for an interim grant in view of the flood catastrophe? If not, is the federal government prepared to make such a grant anyway?

Hon. Douglas Abbott (Minister of Finance): I have been absent for two or three days, but so far as I am aware, no such application has been made. As to the second question, that is a matter of government policy which will be announced in due course.

COMMUNISM

METHODS OF COMMUNIST PARTY—REFERENCE TO PHOTOSTATIC COPY OF LETTER IN MONTREAL "GAZETTE"

On the orders of the day:

Mr. E. D. Fulton (Kamloops): I should like to direct a question to the Minister of Justice. Has his attention been directed to a photostatic copy of a letter appearing in today's Montreal *Gazette* containing evidence of the methods being used and the pressure applied to persuade people by force to join the communist party? If his attention has been directed to it, will the minister now, or at an early day, make a statement as to what steps are being taken to combat this sort of influence?

Hon. Stuart S. Garson (Minister of Justice): My attention has not been drawn to the letter, but I shall be glad to examine it and make a statement if necessary.

HOUSE OF COMMONS

REFERENCE TO DEBATE IN SENATE ON HOUSE OF COMMONS REFORM

On the orders of the day:

Mr. A. L. Smith (Calgary West): Mr. Speaker, I should like to ask the leader of the house whether, in view of the wealth of intellect we have in the house, the government has directed anybody to read yesterday's debate in the Senate on House of Commons reform.

AERONAUTICS ACT

AMENDMENTS WITH RESPECT TO POWER OF MINISTER TO MAKE REGULATIONS, ETC.

Hon. Lionel Chevrier (Minister of Transport) moved the third reading of Bill No. 153, to amend the Aeronautics Act.

Motion agreed to and bill read the third time and passed.

RESEARCH COUNCIL ACT

PROVISION FOR ADDITIONAL VICE-PRESIDENT —DEFINITION OF "INVENTION"

Hon. Alphonse Fournier (for the Minister of Trade and Commerce) moved that the house go into committee to consider Bill No. 179, to amend the Research Council Act.

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

On section 1—*Definitions.*

Mr. Macdonnell (Greenwood): I want to ask the parliamentary assistant a general question with regard to the administration of the national research council. I am sure there are no two opinions about the usefulness of the council and the excellence of the work it is doing. Nevertheless I should like to be informed as to just how close and effective is the liaison between the national research council and similar organizations which I understand exist in most if not all of the provinces. I should like the parliamentary assistant to give us not merely a

general assurance that there is co-operation. I should like to know in some detail how it is maintained and how close the contact is.

For example, if I may expand the question slightly, let us say that a research council, or whatever the proper name is, in a province undertakes to do work on such and such a project. Let us take the manufacture of leather, or any other subject on which an answer might more conveniently be given. How are steps taken to ensure that we do not have overlapping, which of course can take place quite easily when there are several bodies, all of them valuable, all of them energetic, all of them ambitious, and all of them anxious to expand their own efforts?

Mr. McIlraith: Mr. Chairman, I think I must answer the question by first giving the assurance that there is no overlapping, that in fact these bodies work together in complete accord. Perhaps I should illustrate that by first pointing out that work of a scientific nature is not undertaken by the national research council without a meeting first being held of the national advisory council. The national advisory council is composed of some seventeen, I believe it is, of the leading scientists of the country. If you will examine the individual records of these men it will be found that in many cases the same men are heading the research activities of provincial bodies or universities. That list has been printed in volume 1 of the minutes of proceedings and evidence of the special committee examining into the operations of the national research council. I do not think there is any point in reprinting it in *Hansard*.

To give an example of how closely this co-operation works out in practice, a lengthy release was sent to each member of the House of Commons covering scholarship awards. It will be seen therefrom that awards are given after clearing to see that there is no duplication with the awards given by certain of the provincial research organizations. To give another example of the co-operation in effect, Canadian Patents and Development Limited, a subsidiary of the national research council which handles patent matters, in fact handles such matters for a great many of the provincial research foundations as well as for universities. Perhaps that illustrates better than anything else how it works in practice. The various personnel work closely together, and there is no opportunity for duplication.

If the hon. member wants any further information, I shall be glad to give it if I can.

Mr. Macdonnell (Greenwood): That is a strong assurance, and I am perfectly satisfied it is given sincerely and with considerable knowledge of the subject. Nevertheless I should like to press the matter a little further. I mentioned leather a little while ago. Is any special research on leather being carried on by the research council at the moment? If not, could we have a list—not necessarily an exhaustive one—of some of these projects that have been undertaken? I do not know whether any of them are affected by security; if so, of course I do not want them. There must be some going on, however, and I should like to know just what they are. I should like to know also whether in fact the parliamentary assistant can say that parallel inquiries are not going on in any of the provinces. I do not say that a parallel inquiry necessarily would be a bad thing; but I shall leave it at that for the moment.

Mr. McIlraith: I think perhaps there is a basic point that needs clearing up. The system under which the national research council operate is such that they do not undertake new scientific work on their own account if that work is being done by some university or other provincially sponsored body. That is, in addition to actually undertaking work themselves, they may further scientific research in a particular field by assisting work already going on. That is the common practice in all universities; and of course a great deal of the provincial research work is done in the universities. The same thing applies to the provincial research foundations; so the work does not and cannot get started by the council if it is a duplicate effort. It is caught before it starts.

The policy is not necessarily to do all the research work in the research council. They may assist another body to do that work. Where a university or a medical institution of one kind or another is doing research work, the policy may be to assist that body rather than carry on the same work in the research council. The national research council started off as a body to co-ordinate all research activity in Canada; that was its basic function and concept. Then about 1924 the idea was conceived of developing laboratories to carry on research work on government account, and of course that has developed since that time.

Mr. Stewart (Winnipeg North): Can the parliamentary assistant tell us whether the national research council has done any work in conjunction with Central Mortgage and

Housing Corporation into the type of building materials best suited to the various climates in Canada?

Mr. McIlraith: Yes, Mr. Chairman; that work is going on now. Materials have been tested in identical structures in different areas, to withstand the varying conditions of those areas. A little more than three hours ago we were examining the structures that had been put up here in Ottawa. Similar structures are in existence already at Saskatoon, Saskatchewan, and there will be similar structures at the maritime regional laboratory when it is finished, which I presume will be later this year, though I cannot be too definite about the time. Research into housing construction and so on is getting a great deal more attention now than formerly. As such, apart from research into individual materials, it is one of the newer fields being undertaken by the council.

Mr. Stewart (Winnipeg North): Quite a number of Winnipeg people are interested in building houses on higher levels than they have occupied in the past. Are any of the reports that have been made on various building materials available to individuals who may wish to see them? Are there, for instance, reports on various types and qualities of materials?

Mr. McIlraith: Yes; there is a great volume of technical information available. I do not know how far advanced some of the housing research may be, but as to individual materials, numbers of scientific documents are available. Actually last year the research council published some two thousand purely technical documents of an authoritative nature.

Mr. Fraser: Has a proper structure been put up for the storage of radium needles used by the research council? Some time ago, we remember, a boy picked up some of these needles; are they now stored in a proper structure until required for use in the laboratory? It seems wrong that thousands of dollars' worth of these needles should be stored under the conditions that prevailed at that time. What has happened in the interval?

Mr. McIlraith: The needles were not left lying around through any neglect on the part of the council. They are deliberately kept out of the laboratories. Radioactive needles give off rays that make scientific instruments react improperly; I do not know the technical term. Even many types of wrist watches cannot be worn in the laboratories because of the radiations from the luminous dials. These radium needles are therefore stored in a separate building outside the laboratory. If they were kept in the laboratory they would contaminate the very fine instruments and could easily ruin hundreds of thousands of dollars' worth of equipment. That is why they are kept outside.

I presume the hon. member for Peterborough West is referring to the needles which were stolen from the building that was broken into a short time ago. I cannot say what the final construction is, but at that time I know the whole question of the storage of these needles was examined very carefully by the vice-president (administration) and by the president. I cannot say what was finally done.

Mr. Fraser: I mention the matter because I believe a proper building should be put up, with proper locks, so that people could not break in and scatter things like that around. I know that if we as individuals scattered poison around we would be held liable. I think the government should be very careful. If the building has to be lined with lead, let that be done, but let us make sure no harm comes from these needles.

The Deputy Chairman: May I remind hon. members that this is an amending bill with limited objects. If one reads the explanatory notes one sees that the purpose of the bill is, first, to provide an additional vice-president; second, to give authority for the use of the name national research council; third, to make provision with regard to discoveries and inventions. Certain latitude is always permitted on the first clause of a bill, but that latitude should not extend beyond the scope of the amending bill. I have permitted the discussion because the parliamentary assistant was willing to reply to questions which seemed to me entirely out of order. I would ask all hon. members to remember that this is an amending bill, with limited objectives.

Mr. Fraser: With all due respect, Mr. Chairman, while this is an amending bill, we may have no other opportunity to ask these questions.

Mr. McIlraith: They can all be discussed on the estimates.

Mr. Fraser: Some of us may not have an opportunity to do that. Even if some of this discussion should take place on the estimates, the estimates will go through that much more quickly if the discussion has already taken place.

Mr. McIlraith: Mr. Chairman, I think information of that general nature would be more easily available on the estimates. There appears to be one misconception, and perhaps I should straighten it out. This building was securely locked, and it was a matter

of a burglary job to break into it and steal these things. The great danger from the needles is the danger of contaminating the laboratory.

Mr. Fraser: It was only a shed.

Mr. McIlraith: It is a substantial shed. If that is the definition of shed, then there are a great many sheds used as office buildings by the government.

Mr. Macdonnell (Greenwood): I understand the ruling is that general questions as to the effectiveness of the national research council are not in order here. Really I welcome the ruling, because I think I shall be able to embarrass the parliamentary assistant much more when we come to the estimates. I shall do my best, at any rate.

Section agreed to.

Sections 2 to 8 inclusive agreed to.

Title agreed to.

Bill reported, read the third time and passed.

SUPPLY

The house in committee of supply, Mr. Beaudoin in the chair.

DEPARTMENT OF TRANSPORT

Air service—

498. Air service administration, $203,890.

Mr. Fraser: Mr. Chairman, this item is up $74,000. Will the minister tell us the reason for that?

Hon. Lionel Chevrier (Minister of Transport): Yes; the main increase is in respect of total salaries. There has been an expansion of this division of 42 positions, and that accounts for the increase in salaries.

Mr. Fraser: Those are statutory positions?

Mr. Chevrier: Yes.

Mr. Fraser: This air division looks after civil aviation?

Mr. Chevrier: Yes. The air service comprises three divisions—civil aviation, meteorology and radio. This item provides for the administrative staff in Ottawa, plus six controllers for the six districts across Canada.

Mr. Fraser: This administration would set up the rules and regulations under which private planes would be allowed to enter Canada?

Mr. Chevrier: That is the next vote.

Mr. Fraser: That is the control end of it.

Item agreed to.

Civil aviation division—

499. Control of civil aviation, including the administration of the Aeronautics Act and regulations issued thereunder, $676,656.

Mr. Fraser: It has been mentioned in the house that the United States has a defence zone over the great lakes, which stops planes from going into the United States if they have not sent word that they are coming. What have we on this side?

Mr. Chevrier: We have two things on this side. First, if it is a commercial carrier it must obtain a permit from the air transport board. Next, if it is a private plane it should file a flight plan before coming into Canada, indicating to the Department of Transport the schedule which it wishes to follow.

Mr. Fraser: Would the airports in the United States have facilities for informing the operators of these planes as to whom they must report?

Mr. Chevrier: Yes. It would be published in two ways. First, the information is given to all known commercial operators. It is also given to the civil aeronautics board in the United States. Any flier who wanted to come to Canada would naturally find out from that board what the regulations were in Canada.

Mr. Fraser: According to the press there is to be a radar screen from Quebec city to Montreal; is that correct?

Mr. Chevrier: That is something entirely new. It is not covered in this vote.

Mr. Fraser: But in that section, too, the same regulations would apply?

Mr. Chevrier: That is right.

Mr. Fraser: Does that regulation cover planes crossing the international line right from one end to the other?

Mr. Chevrier: It is not an international regulation. As I said a moment ago, control is exercised partly by the board and partly by the departmental officials, and circularized to all American fliers moving into Canada. It has nothing to do with the defence announcement made the other evening by the Minister of National Defence.

Mr. Fraser: Does the minister know when the radar screen will be set up?

Mr. Chevrier: That would not come under this vote.

Mr. Green: What control is there over aircraft coming in from Siberia? Under what department or branch of department would that be handled?

Mr. Chevrier: Aircraft coming in from Siberia would be subject, I presume—and I am now outside of my own field—to the

defence department and the defence regulations. There are a number of defence airports in the northwest, and the Department of National Defence operates the northwest staging route. It has airports all along that route, running into Whitehorse. I take it that the moment it was known a foreign military plane was coming over the airports, there would immediately be a notice to stop the plane. That, however, is not my field. So far as we are concerned, a plane from Siberia would not strike our airports until it got to Edmonton, unless it came by way of Vancouver. If it had not permission, we would stop it.

Mr. Green: Suppose it is a civilian plane?

Mr. Chevrier: If it is a civilian plane—that is, if it is a commercial air service—it must obtain a licence from the air transport board. If it is a private plane, it must file a flight plan with the Department of Transport, setting out its route. It must therefore get two certificates, one from the air transport board and one from the Department of Transport.

Mr. Green: Will the minister explain the type of control over private aircraft, both domestic planes and planes coming in from the United States?

Mr. Chevrier: A plane coming in from the United States must come down at the first customs office. If it were coming along the Detroit area it would of necessity have to come down at customs, just as a plane going south, say to New York, would have to come down at the first customs entry port unless it had made arrangements to go to that point direct. When a plane comes down at a Canadian customs airport it must satisfy both customs and immigration that it has the right to be in Canada, first, by showing some licence if it is a commercial air service, and, second, by some operating clearance from the departmental officials.

Item agreed to.

Civil aviation division—

Airways and airports—

500. Construction and improvements, including radio facilities; and to authorize commitments against future years in the amount of $421,000—capital, $9,430,340.

Mr. Brooks: I should like to ask the minister a question about the Blissville airport in New Brunswick. Has the department decided to close it? What has been the cost of operating the airport during the past year?

Mr. Chevrier: It is the intention of the department to take the range away from Blissville.

Mr. Brooks: The what?

[Mr. Chevrier.]

Mr. Chevrier: The radio range, but not to close it down at this time.

Mr. Brooks: What does the minister mean by taking the range away? Does it mean that the port will not be in operation?

Mr. Chevrier: It means that the port will be in operation for certain planes, but not for planes that fly with instruments.

Mr. Brooks: Will the same staff be maintained as is there at the present time?

Mr. Chevrier: The radio range staff will disappear, but it will be a port on the caretaker basis, the same as many others that are operated by the department.

Mr. Murray (Cariboo): Under this item I suppose one can discuss the airports on the northwest staging route?

Mr. Chevrier: There is a later item that is directly connected with that route, and perhaps the hon. member will allow the matter to stand until then.

Mr. Knowles: What is the distinction between the money voted under this item and that voted under the next two items, bearing in mind the fact that in the details item 500 includes a large amount for field services and radio services; then the next two items deal with civil aviation services and radio aviation services.

Mr. Chevrier: The vote we are now dealing with, item 500, is exclusively a capital vote for construction of airports and aerodromes across Canada. The other two votes, 501 and 502, deal with operation and maintenance of civil air services at these various airports and radio air services; so that the second vote is one of operation and maintenance, and the first one is a capital vote.

Mr. Knowles: In other words, in the next two votes approximately the same amount is voted every year, but this one may or may not be repeated?

Mr. Chevrier: That is right.

Mr. Knowles: I note that we voted $13 million last year, and the vote this year is $9 million. Can the minister give any indication as to the proportion of this money that is spent to facilitate flying by Trans-Canada Air Lines, by Canadian Pacific Air Lines and by small private operators?

Mr. Chevrier: I do not think that question can be answered. This vote is to provide runways and landing strips at a number of airports across Canada, and to provide radio facilities at these airports. Just as we build canals and bridges for the service of the public, so we build airports and aviation facilities for the operation and the use of

carriers. They are not specifically for the use of T.C.A. or privately-owned or commercially operated planes; they are for the use of the public generally.

Mr. Knowles: I understand that there are such things as landing fees on these airstrips. Is that right?

Mr. Chevrier: Yes.

Mr. Knowles: Do commercially owned, government owned or private air companies pay anything towards the radio facilities provided by the government?

Mr. Chevrier: There is no charge for radio facilities.

Mr. Fraser: Has the minister or his department considered building an airstrip in the Peterborough district? We are a bit isolated there. The nearest port is Oshawa. An American plane coming in used to be able to land at Oshawa and get customs and immigration clearance there; now it has to land at Malton, clear there, then fly to Oshawa, and from there passengers must travel by car to Peterborough. It is a bit awkward.

Mr. Chevrier: I think in the territory to which my hon. friend refers—I know it generally from having flown over it—it is more a matter of a seaplane base than a landplane base. To my knowledge we have received no application for a seaplane base. If we do, we shall certainly be glad to give it consideration.

Mr. Macdonnell (Greenwood): There is a lot of land around there.

Mr. Chevrier: Yes.

Mr. Lennard: Can the minister give a list of the airfields or airstrips covered by this item?

Mr. Chevrier: Yes. It is fairly lengthy. Perhaps I could give the larger ones. There is provision for building airstrips and certain buildings ranging anywhere from $1,000 to $1 million. I will take the largest one. Malton, for instance, is the highest expenditure: $1 million for the lengthening, widening and strengthening of the runway for heavier aircraft. Then there is an item of $515,000 for Fredericton; one of $455,000 for Gander; one of $570,000 for Dorval; one of $870,000 for Saint John. That is the new airport at Loch Lomond. There are items for Oshawa, Ottawa, Patricia Bay, Edmonton, for the district north of Edmonton, $44,600; Fort Resolution, Northwest Territories, $44,500; Fort Smith, $29,200; Baie Comeau, $155,000.

Mr. Lennard: Perhaps the minister would save time by just having the list put on *Hansard*.

Mr. Chevrier: I can get it and table it. I have it in my notes.

Mr. McLure: I should like to know first of all if Charlottetown airport is included in this list. Has the Department of Transport taken over the Charlottetown field?

Mr. Chevrier: It still belongs to the city, I am informed, but we are operating it. There is an item of $30,000 for Charlottetown. Perhaps that will please my hon. friend.

Mr. Brooks: I wish to ask the minister a question with reference to customs clearance. A short time ago some planes were kept out of Gander, I think on account of fog, and they came either to Halifax or to Moncton and got customs clearance.

Mr. Chevrier: Dartmouth.

Mr. Brooks: Have arrangements been made for clearance at these different ports in the maritimes such as Dartmouth, Halifax, Saint John and Fredericton?

Mr. Chevrier: Gander is the port of entry for Canada, and in certain cases Montreal. Sometimes, because of difficult flying conditions, it is impossible to go to Gander; therefore alternate airfields are operated by the Department of Transport. Moncton is one, and Sydney is another. Dartmouth is a field operated by the air force, is under the jurisdiction of the Minister of National Defence, and therefore is under that department's rules and regulations. I understand that Dartmouth field was built to take care of planes that weigh about 50,000 pounds. I am told that a stratocruiser weighing 100,000 pounds would not be allowed to land because it would tear up the runways. The difficulty about the plane to which my hon. friend has reference was that Dartmouth would not allow it to land, and it had to go elsewhere.

Mr. Fulton: Where did it land?

Mr. Chevrier: It went back to Gander.

Mr. Fulton: It landed there first, and they would not clear it through customs.

Mr. Chevrier: It is not a customs port—it is not a port of entry. It is unfortunate that that was the case, but it was not the fault of the administration of transport.

Mr. Brooks: They could get clearance at Moncton or Sydney.

Mr. Chevrier: Oh, yes.

Mr. Fulton: The minister has a matter under his consideration to which I brought

his attention concerning an airport at Kamloops. I will not take the time of the committee to ask him to go into it in detail, but if I did not say a word about it he might feel that I had lost interest in it.

Mr. Chevrier: I am sure my hon. friend has not. I told him in my reply that I would see that consideration was given to the matter.

Mr. Black (Cumberland): Is provision being made for the maintenance of the airport at Amherst, Nova Scotia? The airport was built partly by the town of Amherst and partly by the government during the war, and it performed excellent service at that time. It is a valuable airport, and is fairly free from fog, much more so than most of the ports on the Atlantic coast. Personally I feel that it should be maintained. I would ask the minister to make a report.

Mr. Chevrier: There is no provision made here, because it is not operated by the Department of Transport. It is owned by the city and operated by themselves.

Mr. Black (Cumberland): The government still has title to it. I do not think the town took it back from the department.

Mr. Chevrier: My officers say that we developed it, put it in shape and then transferred it to the city. That is the information I have. In fact I am told that they own the site.

Mr. Fulton: I notice that there is a substantial amount for sundries, $200,000 shown in the detail on page 299. Can the minister give the justification for that item?

Mr. Chevrier: There are miscellaneous expenses for engineering, investigation, survey, reconnaissance, telephones, telegrams, printing and stationery. Perhaps I should amplify that a bit. There are constant demands from various communities across Canada for air services, some in isolated parts of the country. I can think now of a demand that was made from the northern part of Canada, a demand that I thought was urgent. We sent engineers to make a survey to ascertain, first, whether the terrain would lend itself to the establishment of an airport, and second, whether there is any considerable amount of traffic. It costs money to make these surveys. Men have to go either from Ottawa or from Edmonton, if it is in the Edmonton district, and from Vancouver if it is in the British Columbia district, or from Moncton if in the maritimes; and this item is for that purpose.

[Mr. Fulton.]

Mr. Fulton: How much was actually expended last year under sundries? The authorization was $225,000.

Mr. Chevrier: I cannot answer that except in this way: out of the $200,000 the engineering part amounts to $135,000.

Mr. Fulton: I wonder if we could put in a motion now, as it were, asking that greater detail be made available in subsequent years as to the actual composition of those sundry items.

Mr. Chevrier: In this vote?

Mr. Fulton: In any vote where they run into several thousand dollars or more.

Mr. Chevrier: I think so. I now ask my officers to do that.

Mr. Macdonnell (Greenwood): In the detail of item 500, as in a great many other items, there are telegrams, telephones and so on. Some of them are very large; some of them are not so large. If my memory serves me, in the whole department they total up to between $4 million and $5 million. We get them in bits and pieces. We get $50,000 here, $75,000 there, and $1 million somewhere else, and so on. I should like to have a comprehensive statement, treating this on a functional basis. That is to say, there is this surprisingly large item to the layman of four to five millions for various things. For instance, I should like to know how much is spent on teletypes, and what teletypes we have; because it seems to me it is only in that way we can find out whether all of these things are necessary, or whether some of them are just beautiful gadgets that people like to use.

We all know how we like to use these gadgets. I am going to say this in advance, that perhaps some of these things which may not appear to us to be necessary at the moment may be precautionary from the point of view of defence. Notwithstanding that, I should like to have the information, if the minister will give it, rather than have it in bits and pieces. There will be about twenty of the bits and pieces. I wonder whether the minister would agree that it should be dealt with as a whole? It raises the question, for instance, whether the long distance telephone is used when very often an air mail letter would do just as well. It raises the question of controls. I think we all like to use the long distance telephone when the other fellow is paying for it; I think I do. It is reasonable to ask how these things are controlled. In particular it is reasonable to ask, and to know in a comprehensive way, how our whole system of communication works. As I say again, it costs something more than $4 million. We

should know how it is integrated. The minister will know how co-operative I am. I do not want to ask any niggling little questions. I do want to have a comprehensive statement. I suggest that now is the time to have it.

Mr. Chevrier: I think my hon. friend is quite right in demanding what he has, and I am grateful to him that he asks for it in that form, so that it will not be necessary to go into the matter in detail. I think I know what my hon. friend has in mind, because I have been furnished with a statement which I asked of the officers indicating the increases in amounts in certain divisions of the department. For instance, under the heading, "Freight, express and cartage" in the Department of Transport there has been an increase from $10,450 in 1938-39 to $488,348. Under the item, "Telephones, telegrams and postage" there has been an increase from $323,330 in 1938-39 to $1,878,880. I could go on with other divisions, such as buildings, works and structures, and equipment. If my hon. friend wants the figures, I can give them to him; but I think what he is interested in is getting some idea of why this has been necessary. The best reply I can give, without going into detail, is to indicate the rapid expansion and the progress made by civil aviation across Canada. It has been just phenomenal.

I do not know whether the hon. member was in the house when the first debate took place on the Aeronautics Act, but there was considerable criticism of the government on the ground that we were not going nearly fast enough; because the department was not developing the routes that it was thought should be developed; because the services were not nearly as adequate as they should be; because Trans-Canada Air Lines and other commercial air services in Canada were not nearly as effective as those of other foreign routes.

Now, I have before me a statement which indicates what has happened in the air services of the Department of Transport. For instance, I shall deal first with Trans-Canada Air Lines and then with the department. In 1938 T.C.A. travelled 3,098 route miles; in 1949 they travelled 16,000; and this year I think I would be safe to add on another 4,000 or 5,000 miles. In 1938 the revenue passengers carried were 2,086; today they are 648,574. When I refer to today I mean 1949 because I have not the figures for 1950. In 1938 the revenue miles flown were 1,122,179; today they are 16,364,733. That gives some idea of the expansion of T.C.A. from 1938 to 1949.

In the case of the department, for the fiscal year ending March 31, 1939, there were 27 terminal and intermediate fields operated by the Department of Transport; at the end of March, 1950, there were 75. At the end of March, 1939, there were 31 radio ranges and instrument landing systems; today there are 109, and by today I mean March 31, 1950. At the end of March, 1939, there were three other radio stations being operated; at the end of March, 1950, there were 28. The number of employees in the department at the end of March, 1939, was 1,048; today it is 5,118. The route miles covered by domestic scheduled services for the year ending March 31, 1939, were 3,000; today they are 21,250. In 1938 the meteorological and airways control, which is the telephone and teletype land mileage to which my hon. friend referred a moment ago, consisted of 3,300 miles; today the total is 27,892 miles.

Mr. Macdonnell (Greenwood): Could we have some of the details?

Mr. Chevrier: I have not got them here but they would be obtainable. In 1939 our airports were built to accommodate planes weighing 18,000 pounds; today the main airports are being lengthened and strengthened to handle North Stars weighing 85,000 pounds, and overseas airports are able to handle planes weighing 150,000 pounds. Over and above that, we have taken charge of Gander airport at an additional expenditure of $3 million per annum. We have taken charge of the Canada-Alaska telephone communications system for which the committee will be asked to vote later on. We have established greatly increased weather forecasting service. We have increased the airways traffic control system. We have taken over from public works the government telegraph and telephone services.

Coming back to the operators. In 1939 there were a small number of operators—I gave the figure when we were discussing the Aeronautics Act—but today 220 licences have been granted, some for regular scheduled services, some for class 2 services or secondary regular services and some for charter services from a fixed base. These 220 licences have been granted to some 700 or 800 different individuals which gives some idea of the development of the air services.

The carriage of goods by planes, the carriage of air cargo, has increased tremendously and is reflected in the increase in the ton mileage which was 3,000 miles in 1945 as compared with 754,000 miles in 1949. Mail services to remote areas have also shown a substantial increase. The total miles flown in 1949 by 304 aircraft were 12,194,000 as compared with 841,000 in 1945 by only 26 aircraft.

I give those details to indicate the progress made and the expansion that has occurred in the air services branch. It is evident that because of this tremendous expansion it has been necessary to increase the cost of the services. It has been necessary to increase the amounts voted for the operation and maintenance of airports and airways, for the control of airways, and incidentally the cost of telephones and telegraphs, travelling expenses, motor cars, trucks and the like has increased. I hope it will not be necessary for me to give now, because I could not give it, a breakdown of the total amount for telephones and telegraphs and the like. I suppose I could get it, but I am making now a general answer to indicate the main reasons for the increases in the items to which my hon. friend has referred.

An increase in items such as telephones, telegraphs, travelling expenses, motor cars and so on will be found in each vote as we go along. If my hon. friend compares the position in 1939 with reference to the two items I have mentioned with the position in 1949 there is unquestionably a tremendous increase. I would not be fair with the committee if I did not admit that. The reason for that big increase is the tremendous expansion which has taken place. While we were operating several airports in 1939, today we have hundreds of airports. At the main airports, particularly for domestic service across Canada, we have installed instrument landing facilities about which we will hear more as the estimates go along. Those are very costly and they require additional staff. When you have additional staff then the items referred to are increased.

Mr. Macdonnell (Greenwood): I am grateful to the minister for the statement he has made, but I have a few questions with regard to the details. Is there any system of checking the free use of the long distance telephone? I do not think it would be giving away any secrets to indicate just what is done. One cannot help but be impressed with the apparent freedom with which this method of communication is used. The cost runs into a substantial amount. I should like to know what system there is of checking, such as there would be in a private corporation.

Mr. Chevrier: In the vote we are now considering the amount for telephones and telegraphs is quite small compared with the other votes. The officer before me tells me that there is a method of checking by both the officers of the department and by the comptroller of the treasury.

Mr. Macdonnell (Greenwood): I thought the minister had agreed that instead of taking up this matter fifteen or twenty times we could perhaps consider generally this question of communications. When the minister says there is a check, does he mean merely a check that the expenditures were made or does he mean that there is some control over the use of this expensive medium of communication?

Mr. Chevrier: A report of each long distance call indicating to whom the call was directed and by whom must be made. That is checked by an officer of the department or the branch and it then goes to the treasury where it is again checked by an officer of the treasury board. Very often a directive will come back stating that the expenditure is high in comparison with other departments.

Mr. Macdonnell (Greenwood): I have a few questions to ask with regard to the teletype services. Would the minister prefer to leave those for the more relevant item?

Mr. Chevrier: I would prefer that.

Mr. Fraser: The minister said that his department operates government telephone and telegraph lines. I understand that the Department of Finance took over the telephones in Ottawa. Am I right?

Mr. Chevrier: Yes.

Mr. Fraser: And you have them outside Ottawa?

Mr. Chevrier: That is right.

Mr. Fraser: There is one item in the details on page 300 about which I want to ask. It refers to professional and special services.

The Deputy Chairman: That is under item 501.

Mr. Green: The minister mentioned some of the larger airports at which transoceanic planes are landing. When his estimates were up before I asked him whether the government had any intention of laying out new runways at the Vancouver airport. I believe they are having some difficulty now with the transpacific planes because the present runways are not adequate. When the minister read the list of airports on which money is to be spent during this fiscal year he mentioned $1 million for Malton airport, but I do not think there was anything for Vancouver airport. Malton airport is a great airport, and I have no objection to its being improved, but I doubt very much whether planes of the size of the transpacific craft land there. I know there is considerable concern in Vancouver about the runways, and the minister's own officials are concerned about them. I wonder why there is no money included in this vote for improvement of the runways.

Mr. Chevrier: I am also greatly concerned. Some weeks ago a delegation from Vancouver

came to Ottawa to discuss in detail the position there, and I am now giving it some consideration. It is true there is nothing in these estimates because they were prepared in November of last year. I am not saying that there will be something in further estimates but I am giving it consideration at the moment.

Mr. Brooks: When the minister gave the list a few moments ago there was an amount for the airport at Saint John and I think $400,000 odd for the airport at Fredericton. Are these amounts for additional runways, or for what purpose is the money to be expended?

Mr. Chevrier: At Fredericton it is to complete the runways. At Saint John, where a strip has already been built, the item is for one runway.

Mr. Brooks: There will be one runway at Fredericton and two at Saint John?

Mr. Chevrier: Yes.

Item agreed to.

501. Operation and maintenance—civil aviation services, $7,708,041.

Mr. Fraser: On page 300 there is a reference to professional and special services. What does "professional" mean? Do you call in outside help?

Mr. Chevrier: Professional and special services in the amount of $97,000 cover payment to Trans-Canada Air Lines toward the operation of airway facilities at Kinross airport adjacent to Sault Ste. Marie, Michigan, on the great lakes route, and for payment to the corps of commissionaires at Malton, Dorval and other airports for guarding airport properties.

Mr. Fulton: Referring to the details again, I find there is a very heavy item for travelling expenses of $178,365. There are 774 personnel in this branch of the department so that I suppose it might be argued that is not very much per head. On the other hand, if you look at the immediately preceding item for allowances you will find there is an amount of $192,033 for allowances which is an increase of $150,000 over last year. There are only 60 more personnel in the department than there were last year, and yet allowances have gone up from $42,000 to $192,000. If you add allowances and travelling expenses together you get $370,000. Will the minister tell us how that can be justified?

Mr. Chevrier: As to travelling expenses, there has been a reduction of some $6,000. There has also been a reduction in telephones, telegrams and postage of $8,000. It is true there has been an increase in allowances but I understand these cover payments made to those living in extreme northern areas. A northern allowance is granted to employees in that part of Canada north of the 56th parallel of latitude because of both the high cost of living and hard lying conditions. Forty-seven allowances amounted to $39,575. Isolation allowances are granted to employees again because of hard lying conditions. There are thirty-seven of those at a cost of $7,320. Then, in Newfoundland there are 310 allowances amounting to $142,000. I think that covers the question of allowances generally.

Mr. Fulton: Is the increase due to the 310 extra in Newfoundland?

Mr. Chevrier: No, I would not say that; I think it is due to both. I do not know if my friend has been in the Northwest Territories. I flew up there two years ago with the officers who are before me now. I can think of three or four places where we came down within the Arctic circle where people were living under most difficult circumstances. The officers pointed out that these people should be entitled to allowances because of the difficult conditions. After giving the matter careful consideration, we came to the conclusion that should be the case and we granted these allowances. Having done it for the Northwest Territories and other places, the only logical thing to do was to extend it to Newfoundland when Newfoundland became our tenth province.

Mr. Fulton: I can appreciate that, but what I am concerned with is the substantial increase. The minister says that was two years ago, and as the estimates show allowances were paid last year. What I want is the reason for the very substantial increase of $150,000.

Mr. Chevrier: It is pointed out to me that Newfoundland allowances included in casuals and others last year have now been transferred to the proper primary.

Mr. Fulton: So the main cause of this quite substantial increase is the inclusion of personnel from Newfoundland who were not included before?

Mr. Chevrier: I am told it is not exactly that. It is showing them in the right vote that accounts for it.

Item agreed to.

Operation and maintenance—

502. Radio aviation services, $4,489,730.

Mr. Fulton: I have the same question here. There is a substantial increase in allowances of $56,000, and travelling expenses are up by $14,000. The total of the two votes is approximately $400,000, being $211,403 for

allowances and $183,505 for travelling expenses. In addition there is an increase in the sundries item of $7,000. In a sense I regret having to raise these points on each item but, as was pointed out earlier, if we are interested in reducing expenditures and thus saving taxes, as we hope, unfortunately the only way we can do so is by taking up the time of the committee to get explanations.

Mr. Chevrier: Dealing with the allowances, the same reason is indicated as in the previous vote. Increase in the number and amounts of northern allowances payable to employees appointed to that part of Canada north of the 56th parallel of latitude because of high costs amounted to $55,533. That is the total increase there. In travelling expenses there is an increase of $14,000, in a vote of $4,480,000. In the sundries there is an increase of $7,000, which is not a tremendous amount. I do not think I can add much more.

Mr. Fulton: I might make just one observation with respect to sundries. I think the minister is to be commended because he has a fair number of detailed headings of expenditure in the breakdown of this item. In spite of that, however, we find this general item of $43,000 for sundries. It would be interesting to know what sort of things go in there; or is that just a sort of open expense account?

Mr. Chevrier: Perhaps I could give the details of the increases, though I have not a complete breakdown. Sundries cover the rental of land and buildings; snow removal by contract; legal advice, and miscellaneous expenditures. The increase of $7,000 represents the rental of nine houses at Edmonton from Central Mortgage and Housing Corporation, which rents previously were paid by the employees. The department now pays the rentals directly to the corporation, and deductions from the salaries of the employees are credited to the consolidated revenue fund. Snow removal and land rental of additional I.L.S. installations made up the balance.

Mr. Macdonnell (Greenwood): At the bottom of page 301 there is an item for the northwest general purpose teletype circuit. This is probably a good time to find out the following points. I should like to know the purpose of that, whether it is purely civilian or whether there is anything about it connected with the Department of National Defence.

Mr. Chevrier: It was a defence matter which has been turned over to the Department of Transport for operation since the war. This covers payment to the northwest communications system, a facility which is operated by the Department of Transport, for a teletype circuit between Edmonton and Alaska. It replaces the point to point radio circuits formerly operated by the radio division. The circuit carries meteorological data, administrative traffic, and air line operational traffic.

Mr. Macdonnell (Greenwood): Did I understand the minister to say this was really for defence purposes?

Mr. Chevrier: Oh, no. I said it was for defence purposes originally, and had been taken over to the Department of Transport some two or three years ago.

Mr. Macdonnell (Greenwood): Then the Department of National Defence no longer has anything to do with it?

Mr. Chevrier: That is right.

Mr. Macdonnell (Greenwood): I understand there was a system of radio communication before that?

Mr. Chevrier: There are two items that deal with the whole matter. I refer to items 510 and 511, the capital vote and operational vote for the northwest communications system. Perhaps we could deal with all these matters on those items.

Mr. Macdonnell (Greenwood): Very good, if that is the way the minister wishes it.

Mr. Lennard: Would the minister explain the item: Trans-Canada Air Lines operational traffic (contract)?

Mr. Chevrier: Yes. At Moncton, Montreal and Goose a section of T.C.A. referred to as Arcan provides certain aircraft point to point communication for the Department of Transport. These services are a Canadian responsibility under ACAO, and for them we pay the amount mentioned.

Mr. Fulton: When these items are carried, and we appear to have voted $183,505 for travelling expenses, does that mean that if this amount is not spent on travelling expenses it can be used for any other general purposes within this particular item? In other words is the sum of $183,505 earmarked for travelling expenses only, so that if it is not used for that purpose it cannot be spent on anything else?

Mr. Chevrier: Naturally the answer I give must be the answer of an amateur, because this is a matter for the Department of Finance, which sets up the estimates. My understanding is that when $200,000 has been included for travelling expenses, let us say, it has not been voted for that specific purpose but for airways and airports, in which there is an

item for travelling expenses. The entire vote is $4 million, let us say, of which $200,000 is for travelling expenses; and if the amount is not required it is not paid. This is not money that we are committed to spend. It is an estimate by the departmental officials of the amount required under this item, and if that amount is not required it simply will not be spent. Then next year there may be a decrease of $20,000 or $30,000, or an increase of $100,000. I do not think I can amplify that reply very much. If my hon. friend is a member of the public accounts committee he will remember that there it was explained that there can be a transfer of certain allotments. That would not apply in the case of travelling expenses from one vote to another, however, and I do not think it would apply here at all.

Mr. Fulton: I understand, then, that what is actually happening is that the minister is asking for $4,489,730 under this item, and in order to explain to the committee why he needs that amount of money this breakdown is furnished.

Mr. Chevrier: That is right.

Mr. Fulton: Then I think it becomes important in each case to ask how much was actually spent on travelling expenses last year, let us say, so that we can get an idea whether the amount being asked this year bears a relationship to what was required last year, or whether we would be justified in suggesting a reduction.

Mr. Chevrier: The travelling expenses under this vote last year amounted to $169,180.

Mr. Fulton: That is what was asked for; that was the estimate. I am wondering how much was actually spent during the fiscal year.

Mr. Chevrier: I am afraid it would take some time to get that information. The figures are available, and if my hon. friend wants the amount spent last year under each head perhaps I could get that information for him while we discuss something else.

Mr. Fulton: I do not want to press the point unduly, but the three things in which I have been particularly interested are travelling expenses, sundries and publicity. There is not very much for publicity in the minister's department.

Mr. Chevrier: There is nothing at all.

Mr. Fulton: Oh, yes, there is. The minister has an information office for which he is asking $3,780 this year.

Mr. Chevrier: I think of all the ministers I am the one who should be complimented on the absence of expenditures for publicity.

Mr. Macdonnell (Greenwood): If you have only $3,780 you are a piker.

Mr. Chevrier: I certainly am.

Mr. Fulton: The minister does not have very much in the way of publicity if he is only asking for $3,780, but I am interested in these items for travelling expenses and sundries. Perhaps other members are interested in other items, but I would be glad if we could be told in each case how much was actually spent by the various branches in the fiscal year just concluded.

Mr. Chevrier: I shall get that information for the hon. member, what was spent under those two headings of travelling expenses and sundries during the last fiscal year.

Mr. Knowles: On the point that was just discussed by the member for Kamloops, may I confirm what was said by him, and by the minister as well, by a brief quotation from the now famous memorandum presented to us by the Auditor General. It states that the estimates presented to the House of Commons are supported by details. When an estimate is called members may elicit further information from the minister. "However," and I quote, "these details do not form part of the Appropriation Act, and therefore are not binding on the executive." In other words, as the minister has admitted, when we now pass a vote for $4,489,730, it can be spent by his department for any purposes related to radio aviation services. The details which we have been given on page 301 are just for our information, and the department is under no obligation to keep its travelling expenses down to $183,505, if it can save money on some other item to be used for travelling.

In fairness to the government, I believe it would be a good idea if we did some spot checking, such as the member for Kamloops is suggesting right now, and without warning we were to ask for items such as these just to see whether the department is following, with some degree of approximation, the details given in the back of the book. I would be glad if at some stage today the minister would answer the question asked by the member for Kamloops.

Mr. Chevrier: I now have the information in connection with travelling expenses. The amount of money spent in 1948-49 was $107,501.

Mr. Knowles: Have you the expenditure for 1949-50?

Mr. Chevrier: I am informed there are no final figures for 1949-50.

Mr. Fulton: That leaves us rather in the dark. Would it not be possible to get the figures for 1949-50 so that we may have them

before us when we are considering these estimates? The minister has stated that the expenditure in 1948-49 was $107,501, that is the actual figure. Last year the department gave a breakdown showing $169,000, and this year the breakdown shows $183,505, or $76,000 over the last figure that we have. My inclination would be to suggest a reduction of that amount. Last year the department actually spent an amount closer to this $183,000, but I am rather reluctant to let the item pass without the actual information.

Mr. Chevrier: The information I have is that those figures for 1949-50 would have to be obtained from the Department of Finance. The only information we have available now is for the year 1948-49, the amount which I gave. The final figures for which my friend asks can be obtained, but not before next month.

Mr. Knowles: Since the minister does have the figures for 1948-49, may I ask him one question? He has just indicated that the amount spent for travelling expenses was $107,000. I may say that the amount voted for that in 1948-49 was $157,865. Now, I should like to know whether the $50,000 remaining in this item in 1948-49 which was not spent for travelling expenses was spent for anything else under the heading of radio aviation services?

Mr. Chevrier: No, it was not spent on anything else.

Mr. Knowles: Does the minister know what the total amount is that was spent under radio aviation services in 1948-49, as against the vote in that year of $3,909,975?

Mr. Chevrier: It was $3,446,427.

Mr. Knowles: The department seems to have met that spot check fairly well.

Mr. Brooks: I should like to ask the minister if one reason for the mounting travelling expenses is not the fact that officials and others are travelling now almost entirely by air, when possibly they could travel by train and save money. I have noticed that officials often take short trips by air, and that is expensive. It would seem to me it is costing far more than it would if they were to travel by other means.

Mr. Chevrier: Much of the work of the department has to be done by plane.

Mr. Brooks: I am not speaking of the minister's own department particularly, but officials are continually up in the air, as it were, travelling all over the country.

The Deputy Chairman: Order. The item before the committee is radio aviation services.

[Mr. Fulton.]

Mr. Brooks: We are discussing travelling expenses, and I have asked a question of the Minister of Transport. I have asked whether there is not far more travel by air today than there was a year or two ago, and if it is not increasing faster than it should increase, at the expense of the country.

Mr. Chevrier: I think not; I think it is decreasing if anything. Certainly with regard to officials of the department and the minister, I think it is decreasing rather than increasing.

Mr. Sinclair: I should like to say a word on this because the people of Canada do own T.C.A. T.C.A. makes a point of showing that, whereas the actual air fare may be a little more than the combined first-class rail fare, berths and meals, there is a great saving in time, if time means anything. It was for this reason that some years ago I stood in my place and urged that M.P.'s be allowed to use air travel in coming to and going from parliament, which was finally approved. I suggest that, even though the transportation costs of the department might show a slight increase in dollars because of the use of air travel, there should be a great and real saving to the country in having our civil servants working every day instead of spending four idle days on a train going to Vancouver and four days coming back. Their wages cost Canada much more than the difference. I should not like the impression to get abroad, when we are trying to make T.C.A. pay its way, that it is cheaper to travel by bus or by train.

Mr. Macdonnell (Greenwood): I take exception to the view which the parliamentary assistant to the Minister of Finance seems to express, that the time of members of parliament is of infinitely less value than the time of civil servants.

Mr. Sinclair: My point is that the time of members of parliament is important. It is all very well for the member for Greenwood to speak about this, but he can come to Ottawa from Toronto overnight whereas the western members have to spend four days on the train wasting time. A real saving could be effected if travel by air were authorized, and these long time-wasting journeys eliminated.

Mr. Fulton: Can the minister tell us how he arrives at this estimate of $183,000 for this year, which is a $14,000 increase over last year's estimate, if he does not know what he actually spent last year? I am not trying to labour a point, but I am trying to relate what we are asking for to what we have spent. I have definitely indicated that, in my

opinion, unless we can show that the two are closely related we should reduce the amount requested this year.

Mr. Chevrier: I can only say, as I have already said, that the amount given is for the actual travelling expenses in 1948-49, and that is $107,501. I shall not have the figures for 1949-50 until the end of next month; they are not available.

Mr. Fulton: We come to this point, that according to the estimates for the fiscal year ending March 31, 1950, at which I am looking, the previous year the minister asked for $157,000 for travelling expenses in 1948-49. He has told us just now that he spent $107,000. In other words, he had asked for $50,000 more than he spent. I can only suggest that it is desirable that the expenditures should be kept to a minimum. We have been shown no reason why we should be asked to authorize $183,000 which is $14,000 more than we were asked for last year. Unless some explanation is given or some actual figures of expenditure for last year are produced, I would move that this item be reduced by $50,000, which is the amount that the estimate exceeds the actual expenditure for the last year for which we have the figures available.

Mr. Macdonnell (Greenwood): I find it exceedingly difficult to understand this situation. I wonder if the minister really means to take the position that, nearly two months after the end of the federal financial year, we cannot have a statement of what has been spent on travelling expenses. That seems to me an extraordinary position to take. As a matter of fact, we were given a statement only a moment or two ago for the same period of the amount spent in—

Mr. Knowles: 1948-49.

Mr. Macdonnell (Greenwood): Was that only 1948-49? All right, then; I drop that. But I come back to this point. Surely after nearly two months it ought not to be difficult to give us a general statement, if not one down to the last cent. It is difficult for me to understand why, after two months, we cannot get that.

Mr. Chevrier: I am sorry, but I have not got it. My hon. friend gets up and makes a statement that he cannot understand why it is not available. I am saying to the house now on my honour as a minister that I have not got it, and that it is not available. If it were available, I would give it. I think no minister has given more information to the committee than I have.

Mr. Macdonnell (Greenwood): There is no suggestion—

Mr. Chevrier: Just a minute. My hon. friend creates the impression, although perhaps he does not wish to, that there is a tendency on my part to withhold information. There is no such tendency. These are questions which concern the Department of Finance far more than they do the Department of Transport. The officials who are in front of me tell me now that they have not got the information and that they will not have it until the end of next month when they will get it from the Department of Finance. I wish I could add something more but unfortunately I cannot.

Mr. Macdonnell (Greenwood): There is nothing further from my mind than to make any such suggestion.

Mr. Claxton: For the obvious reason that the books are not closed, in respect of items for the financial year ended March 31, until the end of April, the accounts are not in. We have not had even a month since then. The suggestion of the hon. member for Greenwood is completely without validity.

Mr. Macdonnell (Greenwood): I am not impressed, Mr. Chairman; but I repeat that nothing was farther from my mind than to suggest that the Minister of Transport was withholding anything or that anything he said was not said perfectly sincerely. All I am saying is that even with the explanation we have from the Minister of National Defence—he says, and he is quite correct, of course, that the books closed at the end of April—I find the position taken hard to understand. We are now nearly at the end of May. I fully accept the minister's statement that he has not those figures now. But I do not accept the statement—and he did not make it—that, if it were considered desirable and worth while to take a little trouble to let us have, say, within twenty-four hours the rough total of these travelling expenses, it could not be done. It would take a great deal of argument to make me believe that it could not be done. I am not saying that it is in the ordinary routine. Of course, ministers do not like to depart from the ordinary routine. Perhaps I would say that more about other ministers than I would about the Minister of Transport. But I am not impressed with the statement that we cannot get it.

Mr. McLure: There is one item here in this vote, radio aviation services—

Mr. Fulton: I have made a motion.

Mr. Fraser: Are you putting the motion, Mr. Chairman?

The Deputy Chairman: Order. I had not the motion until just now. I just received it in writing. Mr. Fulton moves, seconded by Mr. Green:

That item 502 be reduced by the sum of $50,000.

Mr. Green: Question.

Mr. Murray (Cariboo): Mr. Chairman—

Mr. Lennard: Question.

Mr. Murray (Cariboo): This question is debatable, I think, Mr. Chairman.

Mr. Sinclair: Yes.

Mr. Murray (Cariboo): I think it is an outrage that there should be any impairment of radio and other services of the northwest.

Mr. Fraser: Nobody said there should be.

Mr. Murray (Cariboo): That is exactly what is implied in this resolution. Any of you who have been over the Alaska highway will know that this is a strategic part of this continent. I suppose the Department of Transport is taking over from time to time certain airfields on the Alaska highway, as the danger of war recedes. But there is still a danger of war and the cold war is still menacing the world. If this continent is going to be defended, you have got to maintain the services of the Alaska highway, such as the airport at Fort St. John, at Prince George in my own riding, at Fort Nelson, at Whitehorse and at other points which support the general defence of this continent in Alaska. It is all very well for the people down here in central Canada where you have railways, highways and every conceivable modern method of transportation and communication. But up in that part of the world the population is sparse, the distances are great and the people depend upon the air services. The town in which I live is fifty miles removed from a railway. Can you imagine any place in western Ontario fifty miles removed from a railway? The people in my district on the one hand depend upon trucks for freight and the handling of freight; and on the other hand they have to depend on aircraft. All our traffic from there to Vancouver is by aircraft, and from there to Edmonton. Of course from Dawson Creek there is a railway which connects with the system which goes on to Edmonton. But in the northwest part of this continent the industry of aviation is essential to the carrying on of the affairs of the people. As I say, anything that will impair the services there is a blow not only at our own safety there but at the defence of the whole continent of North America.

[Mr. Fraser.]

Mr. Lennard: May I ask the hon. member a question?

The Deputy Chairman: Order.

Mr. Murray (Cariboo): The item under discussion is a vote of $4,489,730—

Mr. Lennard: May I ask the hon. member a question, Mr. Chairman?

Mr. Sinclair: You can make your speech afterwards.

The Deputy Chairman: Unless the hon. member consents, he may not be interrupted.

Mr. Lennard: What he is saying comes under item 510.

The Deputy Chairman: The hon. member should rise to a point of order.

I would point out to the hon. member for Cariboo that we are now discussing item 502 to which there is an amendment moved by the hon. member for Kamloops, reducing the item by the sum of $50,000.

Mr. Murray (Cariboo): I am quite aware of that fact, Mr. Chairman, and it deals with aviation or with radio in respect of aviation. You cannot fly these planes without radio. You cannot maintain this air service up there on the northwest staging route without these teletype machines that are mentioned here.

Mr. Fraser: Nobody said you could.

Mr. Murray (Cariboo): The hon. member for Greenwood has been urging that they be reduced.

Mr. Fraser: No, we didn't.

Mr. Murray (Cariboo): He would have us go back to writing letters by hand or something.

Mr. Fraser: No, no. You have been asleep.

Mr. Murray (Cariboo): In these days, when these planes are moving on schedule and when there is such a menace of weather, you need radio, teletype machines and every modern method of communication. Instead of cutting these items down the minister might well consider increasing them.

Mr. Fraser: He has.

Mr. Murray (Cariboo): The hon. member for Kamloops has been sparring about with the idea of reducing this and that; he would cut down on stamps, pencils and something else. He had not a word to say about Williams Lake in his own riding, which is deprived of an adequate airfield. He has been sitting here all week—

Mr. Martin: Does he know it is there?

Mr. Murray (Cariboo): While over across at Dog Creek, for instance, there is an airfield which is not being used at all. The cattle ranchers, the cattlemen and others who want to use aircraft to get into town to do their shopping—

Mr. Fulton: I would say, Mr. Chairman, that normally I would answer the hon. member, but I would rather do it when we are both in order. I raised a point of order to point out that this discussion, which the hon. member is carrying on, has nothing to do with the item under review.

Mr. Chevrier: On a point of order, the hon. member for Cariboo is perfectly in order, and if my hon. friend would permit me to interrupt him I would like to point out just how ridiculous is the motion of my hon. friend. It is the idea given by the hon. member for Cariboo that brings it to my mind.

I said a moment ago to the hon. member for Winnipeg North Centre that moneys voted under the details of this general vote may be allocated to something else. In other words, the point which my hon. friend is making is to reduce the travelling expenses by $50,000 because in 1948-49 we did not spend nearly as much as was voted.

Mr. Knowles: You spent $50,000 less.

Mr. Chevrier: That being the case, if the same procedure follows this year and we do not spend the $50,000 that my hon. friend expects, then we might as well take the $50,000 and put it into the Northwest Territories where my hon. friend needs service, or put it into Vancouver—

Mr. Fulton: Why don't you ask for it in that way?

Some hon. Members: Sit down.

Mr. Chevrier: Just a moment. I am speaking now to the motion made by my hon. friend, and I am trying to point out to the committee how ridiculous it is. I am also trying to show how, by making this motion, he may very well take from Vancouver, from Calgary, from Edmonton, from Fort William and from a number of other places, to which the sum of at least $85,000 has been allocated under this vote for radio services. If my hon. friend's point is well taken, and if it is a fact that we do not need the travelling expenses, and they should be reduced by $50,000, then we might well take the $50,000 and allocate it to several parts of Canada. As a matter of fact, what my hon. friend wants in the airport in Kamloops, namely, radio facilities, might well be covered by this vote; and by the motion which he makes, I say to the committee with deference, he is actually doing the thing which will harm his own airport.

Mr. Fulton: Mr. Chairman, what the minister has said—

Mr. Leger: Sit down.

The Deputy Chairman: If I remember correctly, the hon. member for Cariboo had the floor when the minister interrupted him and made some additional remarks. I know that the hon. member for Kamloops would like to say a few words as well. But in all fairness, I think the hon. member who had the floor and was interrupted should again be given the floor.

Mr. Fraser: Let him get it off his chest.

Mr. Harkness: We may as well have the time wasted now.

Mr. Chevrier: We have been wasting it all afternoon.

Mr. Murray (Cariboo): This particular item refers to the smaller airfields. At Dawson Creek we have a landing field which is at railhead. There is an application now before the government for an appropriation to make the field available for civil aviation, for the landing of aircraft by C.P.A., and other large aircraft. We have a flying club there made up of young men around Dawson Creek who own their own planes. My friend, Mr. K. O. Aspol, is one of the owners of aircraft there. On Saturday afternoons and Sundays these fellows take their private planes, travel about and teach young fellows the science of operating a plane. How is the Dawson Creek airport to be carried on if it does not get radio service? That applies also to Williams Lake, an old well settled and wealthy part of the country.

They need a good modern airport at Williams Lake. At Dog Creek there is a modern airport which is not being used. It is owned by the R.C.A.F., and is purely a military set-up. I would like to see something done toward improving the facilities up there right along the line.

One hon. gentleman asked a hypothetical question as to what we would do if the Russian planes came over Canada. I was on the Alaska highway when many Russian planes were passing up and down the northwest staging route. They were our allies then. They did not have any difficulty getting across the Bering sea, into Fairbanks and on down to Edmonton. Thousands of aircraft operated by the Russians were seen in the skies above the Alaska highway. It might very well be that they may return to the Canadian skies.

I might say also that the Russian aviators were quite the equal of United States or Canadian pilots, and, interesting as it may seem, a good many of them were women, and very handsome women they were. They were piloting their planes, and came from certain airports on the other side of the Bering sea.

In Ottawa, Ontario, the comfortable and luxurious capital of Canada, we do not realize how exposed our frontiers are to possible attack by an enemy.

The Deputy Chairman: Order. I trust the hon. member will not go too far away from item 502.

Mr. Macdonnell (Greenwood): Not too far.

Mr. Murray (Cariboo): As I said at the outset, many of these airports in my riding, under the direction of the R.C.A.F., have been passed over to the Department of Transport or are now being turned over to that department. I suppose the facilities such as telegraphs, telecommunications and so forth are also being passed over. That I do not know. I close with this one word. To reduce this item in any way would be to reduce the efficiency of our civil and military defences up in the northwest.

Mr. Fulton: What has been said by the minister and by the hon. member for Cariboo, who has just taken his seat, shows clearly the type of consideration of the items that we are asked to put up with. What the minister has said is this. He has explained, and it was borne out by the quotation read by the hon. member for Winnipeg North Centre, that what they are asking for is $4,489,730 this year. In order to justify it or to explain it to the house so that the house may approve the amount, he gives us the breakdown showing what is estimated to be required for each of the activities of this particular branch of his department.

The minister's department proposes to spend, on a rough calculation, $1,038,500 on travelling expenses this year, of which this $180,000 is only a part. If it is the desire, as the minister has sought to make out, to have more money for improving facilities in the airports at Fort William, Regina, Calgary, Kamloops, Williams Lake or any of the other points that have been mentioned, then we could deal with the matter on its merits and it will not be necessary for the hon. member for Cariboo to make a political speech when we talk about reducing expenditures. What we are talking about here is a reduction in expenditure.

Mr. Sinclair: In every riding but your own.

[Mr. Murray (Cariboo).]

Mr. Fulton: We are dealing with an estimated expenditure for travelling of $180,000. If we can reduce this sort of item, which does not of itself contribute to airport development, then we will have that much more money to spend on airport development, and we can spend it without an increase in taxes. I suggest that what every hon. member should be doing in examining these estimates is to find out where we can suggest reductions in non-essential and non-productive items so that we can have more room to increase expenditures if necessary on essential items and on items which in turn are going to contribute to the development of the country, and do those things without an increase in taxation.

Remember that the Minister of Finance has told us that we cannot expect a budget of less than $2,400 million. He has told us that there is no extravagance, no duplication, no overlapping and that he cannot see any way to reduce. He told us that we can contemplate almost with certainty an increase in taxes in the very near future. I think it is the duty of every one of us to examine these estimates and to talk them over with the minister. Incidentally, I was rather disappointed to hear the minister say this afternoon that we are wasting time in doing this.

Mr. Chevrier: On a point of order, I was referring to the motion made by my hon. friend when I made that statement; that in making motions he is wasting the time of the committee.

Mr. Fulton: Oh, no. The minister said that we have wasted some three hours this afternoon and my motion has been before the committee for only twenty minutes.

Mr. Sinclair: It just seems like three hours.

Mr. Fulton: The minister is suggesting that in making this detailed examination of the estimates that we have made this afternoon—we have passed several million dollars already—we are wasting time. I agree that to make this detailed examination in committee of the whole is perhaps an inefficient method of proceeding, that it would be much more efficient if we could have the departmental estimates referred to committees, but that method has been denied to us. For an hon. member or the minister to say that in giving the estimates a detailed examination in this way we are wasting time is to indicate a lack of that sense of responsibility which should be—

Mr. Martin: The minister did not say that.

Mr. Fulton: —present in all of us. I come back to the point that the minister has given us no justification for his request for approval of $180,000 for travelling expenses. He has not been able to show us that that amount

is actually required. If he wants more money for construction purposes, let him ask for more money and reduce the travelling expenses accordingly. We could then deal with the matter on its merits. As far as I am concerned, I would like to see more money spent on the various airports that have been mentioned, and in fact have on—

Some hon. Members: Oh, oh.

Mr. Fulton: —occasion said so.

An hon. Member: A political speech.

Mr. Fulton: This is almost interesting.

Mr. McCusker: Put it in reverse.

Mr. Fulton: I remember that at the outset, when I brought up this matter of reducing non-essentials, I said that if we would reduce the non-essentials we would have more money to spend on the essentials without increasing taxation. Hon. members agreed with me at that time. I remember the Minister of Finance and his parliamentary assistant appeared to think that that was a sound suggestion. I am merely repeating it. If we can reduce the non-essentials—the minister has not been able to show us that the $180,000 is essential—we will have more left for the essentials. It is with that thought in mind that I move this motion to reduce the item by $50,000.

Mr. McCusker: I find it very hard to understand how my hon. friend can get up and make a motion to reduce this item of $183,505 by $50,000 when he admits that he does not know what it is required for. He had an explanation—from the minister.

An hon. Member: The minister said that.

Mr. McCusker: You will have an opportunity of making your speech. The only way you can get in the limelight is to project yourself into everyone else's speech. The hon. member from Kamloops admits that he does not know what amount was required last year. The reason for that information not being available is that the figures will not be ready for another month. We must admit that the opposition is considerably handicapped this afternoon when their top expert on aviation is not here. But for the hon. member to move to reduce this vote by $50,000 when he does not know what is required shows that he is willing to hamstring the aviation services without just cause.

Mr. Coldwell: I hesitate to get into this somewhat heated and apparently political discussion, but while I feel that criticism of travelling expenses on the ground that air travel should not be used is difficult to justify I do think the hon. member for Kamloops has made a logical attack on this particular item. The last actual expenditure of which this committee has any knowledge is the expenditure of $107,000 on travelling expenses in 1948-49. We do not know what the expenditure was last year; the minister has not been able to tell us because the figures are not available. There is an increase of $76,000 over the last expenditure that we know anything about.

It seems to me that the criticism by the hon. member for Kamloops that we should have accurate knowledge of the amount required under a particular vote is a valid criticism. Probably the department does need more money for various services and projects, some of which have been mentioned, and if that is so those projects should be noted in the breakdown. We should not be asked to vote $183,000 for travelling expenses when all we know is that the last actual expenditure was only $107,000.

If the minister requires $50,000 more for other projects during the year, let him come to us and tell us what those projects are and I will be pleased to vote for the amounts. May I say again that I do not sympathize with the argument that officials of the government should not use air travel. I think they should. But I do think that the argument advanced by the hon. member for Kamloops is unassailable. I think the argument is logical and sound and because of that I am going to vote for the motion to reduce this item by $50,000 because we have had no justification for asking for this additional amount when the last amount we know of is the expenditure of $107,000 in 1948-49.

I said last night that I appreciated the manner in which the minister has brought down his estimates, but I think this afternoon he is on pretty shaky ground in connection with this particular matter.

Mr. Chevrier: Mr. Chairman, I hesitate to return the compliment to the hon. member for Rosetown-Biggar, but I am surprised to hear him make the argument which he has made. With deference to him, I think he is on very unsound ground when he argues in the manner in which he did. It is true that the committee is entitled to all the information that is in the possession of the minister. I have given that information, and I do not think that anybody has refused less information than I have in so far as these estimates and the Canadian National Railways are concerned.

Here is an item of $183,000. It is an estimate. The departmental officials do not know exactly how much we are going to spend.

The hon. member for Kamloops says, "Why does the minister not tell us? We are entitled to know how much he is going to spend." This is not a statement of the amount spent; it is an estimate of the amount that is likely to be spent. My hon. friend says that all we can compare it with is an estimate for last year which is not based on the previous expenditure. That is where I think my hon. friend makes his mistake. It is based on the experience for the present fiscal year. I indicated at the outset that under the first vote there would be an increase of at least forty-four employees in the administrative staff of the Department of Transport. That gives some indication if there are to be forty-four employees more than there were last year.

Mr. Fulton: There are only nine more.

Mr. Chevrier: There are forty-four.

Mr. Fulton: In this item there are only nine.

Mr. Chevrier: There are forty-four under the general item of administration which is included in this as well. Some of those are in outlying districts, and therefore there is bound to be an increase in travelling expenses. If this were the actual amount of expenditure my hon. friend would be quite right in his argument and would be entitled to the exact amount, but it is not. It is only an estimate as to what is likely to be spent. Again I say that if I had the amount which was expended for the fiscal year 1949-50 I would make it available immediately. I have not got it. My hon. friend tried to make the point a moment ago that I said this was time wasted. If he took my statement to mean that it has been time wasted since we started consideration of the estimates this afternoon, then I had no intention of making such a statement. I did make it, however, the moment my hon. friend moved his amendment. From that time on I think the discussion has been wasted, with all due respect to my hon. friend. I repeat that, because if he were successful in reducing the item by $50,000 then he would do exactly what the hon. member for Cariboo stated: he might well remove from the outlying districts certain radio range facilities which these people would otherwise get.

Mr. Fulton: Rubbish.

Mr. Chevrier: My hon. friend says that is rubbish. Let us see whether it is rubbish. Let us assume that the full amount of $183,000 for travelling expenses under this item is not expended in this fiscal year and only $100,000 is used. Then $83,000 can be used for radio or other facilities in the Northwest Territories, and even at the Kamloops airport in which my hon. friend is interested.

[Mr. Chevrier.]

Some hon. Members: Oh, no.

Mr. Chevrier: Some hon. members on this side of the house say "oh, no." I want to show how ridiculous the hon. gentleman's position is. If he wishes to qualify my statement as rubbish that is his privilege, but I do not think it is. I think, Mr. Chairman, that perhaps you had better put the amendment.

Some hon. Members: Question.

Mr. Macdonnell (Greenwood): I should like to remind some members of the committee, who seem to feel that it is a waste of time when these items are discussed, that it is our duty.

Mr. Ferrie: I do.

Mr. Macdonnell (Greenwood): I know you feel that way.

Mr. Ferrie: You bet I do.

Mr. Macdonnell (Greenwood): I would remind the house of what the Minister of Finance undertook to say—I think in good part—when he made a speech and accused us of not doing our duty, and not examining these items closely enough.

Mr. Sinclair: You are quite right.

Mr. Macdonnell (Greenwood): Let us see what has happened. There has been a good deal of rather loose talk. The hon. member for Kamloops moved a reduction of $50,000 in an item of nearly $5 million and you would have thought he had moved a reduction of $4 million to hear my friend over here talk.

Mr. Murray (Cariboo): It might well be more serious.

Mr. Macdonnell (Greenwood): I think it would be well for the committee to realize that the very suggestion that anyone should dare to move a reduction in any of these estimates seems to be regarded as an outrage. I am inclined to think it has almost reached the point when anything brought in here by the government must be regarded as having a kind of divine impress on it.

Some hon. Members: Hear, hear.

Mr. Macdonnell (Greenwood): Let me come to one other point. The hon. member for Kamloops was most moderate and patient.

Some hon. Members: Oh, oh.

Mr. Macdonnell (Greenwood): Yes, he was. We are all expressing our opinions. He said to the minister that if he could get any information about this matter he would not move the amendment. He asked for information which in my opinion, and I am glad to find

in the opinion of a member of the C.C.F. party, is perfectly reasonable. Let us remind ourselves what we are doing now. It is not the minister's fault; it is a difficulty of our whole system. We are comparing money asked for expenditure this year not with the expenditure of last year but with the estimate of expenditure for last year. There is a terrible weakness in it. The hon. member for Kamloops made his request this afternoon in order to try to give us something definite to act on this matter. It was clear that in the year previous the estimate had been far too high, and he felt we should get the figures as closely as we could for last year. The minister says he has not got them. That is true of course, but nothing has been said that convinces me that some figure could not have been obtained.

All I am saying is that I am going to vote for the amendment because I consider otherwise we are left in a perfectly ridiculous position of voting on something which on the face of it is too much. We are left with the suggestion of the minister, which I think was unworthy of him, that if it proved to be too much then we would just divert it to some other expenditure. Instead of coming here and asking for the amount for the other expenditure he would get it on the rebound, so to speak.

Mr. Fulton: Mr. Chairman—

An hon. Member: Sit down.

Mr. Fulton: I should like to reply to what the minister said a moment ago, and I want to deal with it seriously. I take it the minister made it as a serious suggestion but I hope he will see that if it is taken seriously it places him on the horns of a very awkward dilemma.

Mr. Sinclair: Did you ever hear of a dilemma that wasn't awkward?

Mr. Fulton: The minister said in the first place, has repeated it, and I take his word for it, that this is the closest estimate he can make of the actual expenditure. He said in effect he is fully justified in asking for the exact amount of $183,000 for this particular expenditure, travelling expenses. In fact he is resisting the amendment on that ground. He said, "Admittedly I cannot give you the figure spent last year but I will give you every assurance that I can give as a minister that it is an accurate estimate of what we will spend this year. Therefore it is ridiculous and a waste of time for you to suggest that it be reduced by $50,000."

On the other hand he then turns around and says that he will show how ridiculous it is because if we are successful in taking off the $50,000 it might well be that only $100,000 would be spent on travelling expenses and that would leave this extra money to be spent somewhere else. By that argument the minister used he is saying that these estimates are perhaps not accurate at all. The minister says that he wants to come in here and ask for $4 or $5 million and just make a rough breakdown into the various branches, that they may overspend one item by $50,000 and underspend another, and if they underspend they will spend it on something else. I simply say that is not the way in which the committee should be asked to approve estimates of expenditure. If it is not estimated any more closely than that I do not think we should pass it.

As to the actual figure of $50,000 by which it is suggested this item should be reduced, that is based upon the most recent information we could get, which showed that in the fiscal year 1948-49 they overestimated their expenditures under this heading by $50,000, and nothing has been said to show that the same thing has not happened this year. In the absence of that explanation I certainly reject the minister's argument, because if what he said on the one hand is correct then what he said on the other is absolutely untenable. He has not told us which of the two branches he prefers, but it all boils down to this; that he has said nothing to give concrete proof that he needs $183,000, while the information he has given us indicates that he does not need that much.

Some hon. Members: Question.

Mr. Knowles: I suggest to some of the hon. members who are calling "Question" that we were prepared to take the vote on this amendment half an hour ago, when they were not here. That is a fact; one of their own number took the floor and kept the debate going until the government majority got here.

One point the minister made I think should be noted, and perhaps corrected a bit. He said there was an increase of forty-four employees, and I took it he was suggesting that this accounted for the increase in travelling expenses in this item. I shall take his word for it if he says he did not mean that, but I think it should be made clear that there is an increase of only eight employees under this item, and that the travelling expenses we are now discussing are only one of a good many items for travelling expenses spread through the estimates of the Department of Transport.

Mr. Chevrier: Those forty-four employees would be covered in part, because they are covered by the general administration vote.

Mr. Knowles: But there is an item for travelling expenses under the general administration vote as well. Surely this increase should not be set off against any more than eight employees under air service, radio division. It seems to me the most unfortunate thing said this afternoon was when the Minister of Transport indicated that it was quite an easy matter to shift these items around, as far as the details are concerned. He said that if this money was voted and not spent on travelling expenses, then it could quite easily be transferred to radio facilities at one airport or another.

Mr. Chevrier: I do not think my hon. friend wants to misquote me, or leave an impression which is not correct. I did not make the statement mentioned by the hon. member. I said it might very well be that if this money was not spent on travelling expenses it could be used somewhere else. I did not say it was an easy matter to do it, which is a different thing.

Mr. Knowles: In discussing this matter the minister made reference to a quotation I gave some little time ago. I remind him that at that time the hon. member for Kamloops and I were doing what I called a spot check; we were trying to find whether in this department there was any case where that sort of thing had been done. The little check we were able to make gave the minister a clean bill of health; apparently it was not being done in his department, and I was satisfied. Now he is taking the other approach and is using the very quotation I read to suggest that this sort of thing could be done; that money not spent for travelling under this item could be spent for anything else under the general heading.

I point out to the minister that while the details in the back of the book of estimates are not part of the Appropriation Act and therefore are not binding upon the executive, still there is a certain provision in the Consolidated Revenue and Audit Act to which the department must conform. Section 26(2) reads:

> The deputy head or other officer charged with the administration of a grant authorized by parliament shall prepare and submit to the comptroller in such form and at such time as the treasury board directs a classification of the expenditures provided for under such grant and such classification when so established shall not be varied or amended except with the approval of the treasury board.

In other words the details of this item in the back of the book are not binding; but when we have voted $4 million for this item I take it from this section of the Consolidated Revenue and Audit Act that the deputy head of the department must classify how that $4 million is to be spent and submit that classification to the comptroller of the treasury. Once that classification of this $4 million has been established, then I understand it cannot be changed without the approval of treasury board.

Mr. Chevrier: That is right.

Mr. Knowles: When the minister says these things can be changed he is telling us that all the government has to do if it wants to make a change is go to treasury board and make it.

Mr. Chevrier: I do not think my hon. friend is being fair or just. I have risen twice now to correct the false impression he has left. I repeat that I made no such statement. What I did say was that if the amount for travelling expenses was not all used it might very well be that the balance could be devoted to another purpose. My hon. friend is saying that I said it was easy to do that. It is not easy, as will be seen from what the hon. member read from the audit act. On the contrary it is a difficult thing, but it may be done with the approval of treasury board. I do not think my hon. friend is being fair.

Mr. Knowles: I do not want to be unfair at all—

Mr. Macdonnell (Greenwood): You are not being unfair.

Mr. Knowles: If the minister is in a difficult position here it is because of his own statement that it might very well be that this could be done. To clear this up I think the minister should say very definitely that he and his department have no intention of diverting money passed for one detail to another detail. If he leaves it as it is the matter is still open to suspicion.

Mr. Chevrier: The statement I made was quite clear, and I have nothing to add or take away from it.

Mr. McLure: I think we are straining at a gnat and swallowing a camel. It would be nice to have this reduction of $50,000; but if we look at the last two items we see that no details at all are given. In other words in connection with those items we are asked to give a blank cheque for nearly $5 million. So I think both sides of the house might better spend their time arguing about something else.

Amendment (Mr. Fulton) negatived: yeas, 18; nays, 44.

Item agreed to on division.

Civil aviation division—

503. Airway and airport traffic control, $1,050,659.

Mr. Lennard: Will the minister give us a breakdown of this large amount of $430,094 for telephones, telegrams and postage?

Mr. Chevrier: The telephones, telegrams and postage item covers the rentals of telephone long lines, teletype circuits and telephone equipment in the control towers necessary for civil or commercial flying. As I indicated the other evening in answering a similar question, it is mostly for rentals to telephone companies.

Item agreed to.

Civil aviation division—

505. Contributions, subject to the approval of the governor in council, to assist municipalities to improve existing airports, the sites of which have been provided by such municipalities (revote $210,000), $137,000.

Mr. Black (Cumberland): I am interested in this item which is to provide $137,000 to assist municipalities in improving existing airports. This vote would be applicable to the airport at Amherst to which I referred a short time ago. I would ask the minister to what airports, and under what classification, this appropriation will be applied.

Mr. Chevrier: This amount of money is voted to go to the assistance of municipalities that are in need of air services. Ever since its establishment, and particularly since the war, it has been the policy of the department to grant sums of $25,000 to assist municipalities in providing airstrips. It is on the basis of the land being provided by the municipalities, but the construction of the airstrip is assisted by the department to the extent of $25,000.

Mr. Black (Cumberland): The minister has taken great pride in the development of civil air services, a just pride, and I join with him in that pride. The appropriation for civil air services amounts to approximately $24 million. I pointed out some time ago that there is an airport at Amherst, Nova Scotia. I do not think a better public spirit existed in any part of the country than in Amherst when those people joined forces with the government to establish this airport. Splendid service was rendered during the war in the manufacture of airplanes at that point. I cannot understand why the department, with this enormous amount of money available, more than $24 million, would allow an important airport such as the one at Amherst to deteriorate.

The minister informed the committee that this airport had reverted to the ownership of the town of Amherst. I have to accept his statement on that, but that is not my understanding of the facts. While the town is interested in it, I understood it had refused to take back ownership. Whether or not that was done, I believe it is a reflection on the department that this important airport has been allowed to deteriorate. Unless the government gives some assistance in the maintenance of it, it cannot be kept up.

Mr. Chevrier: The dominion government spent $340,367 on the Amherst airport, less $36,000 which was paid by the municipality. My hon. friend says, why do we allow it to deteriorate? It has been turned over to the municipality for operation. The Department of Transport tries to dispose of certain of its airports, and has disposed of many by turning them over to the municipalities in order to save additional expenditures. If the business is not there, I am afraid there is nothing we can do. I could point to a number of airports in Canada not very far from here, where there is no business. They have been turned back to the municipalities, but there is nothing very much we can do. We have assisted Amherst to the large extent of almost $350,000.

Mr. Black (Cumberland): With this special appropriation of $137,000 for assistance to municipalities, it has been the set policy of the department to allow a valuable airport such as the one at Amherst to deteriorate.

Mr. Chevrier: The department has nothing to do with the airport. It is the responsibility of the municipality. If there is any deterioration it is not the fault of the department, it is the fault of the operator or owner of the airport.

Mr. Black (Cumberland): The point I am making is that I believe, under these circumstances, the department should co-operate with the municipality in maintaining a valuable asset such as this, and not allow it to deteriorate.

Mr. Chevrier: My understanding of the word "co-operate" is that the department is asked to assist. The department has not been asked, as I indicated to my friend earlier. At one stage the department did assist Amherst to the extent of almost $350,000, but there has been no application since. If there were, we would consider it. I do not know what the answer would be, but in the light of what I have said I do not imagine it would be favourable.

Mr. Black (Cumberland): Speaking for the town of Amherst, I would now ask the minister to assist.

Mr. Chevrier: No, an application cannot be made in that manner. The municipality is the owner of the airport, and if the municipality wants to make representations they will be carefully considered.

Mr. Black (Cumberland): Could the minister state when Amherst took back this asset? My understanding is that they refused to do it.

Mr. Chevrier: I cannot answer that, except to say that my officers indicate to me the title is now in the municipality.

Mr. Cardiff: Would the minister give a breakdown of what this covers, and where the money was spent?

Mr. Chevrier: The money has not been spent, it is an estimate of what will be spent. It is for Pentecote, Quebec, $25,000; Rouyn-Noranda, Quebec, $50,000; and the town of Val d'Or, Quebec, $62,000.

Mr. Macdonnell (Greenwood): In this case, I should like to ask, where the authority is apparently in the municipality, who is responsible for seeing that all safety precautions are taken, and that sort of thing?

Mr. Chevrier: The Department of Transport, through its licensing division. Once an airport has been established, then it gives it a licence to operate.

Mr. Macdonnell (Greenwood): I want to be sure that my understanding of the minister's answer is correct. The department gives the airport a licence to operate, and is there a system of continuing inspection to see that it is kept up to the requirements of the department?

Mr. Chevrier: Yes, but it is a twofold operation. There is an air line that serves the airport. Take for instance Rouyn-Noranda, which is being established now. Quebec Airways or C.P.A. will go in there, and the department will give certificates of airworthiness to the aircraft. They will also licence the airport to operate in accordance with our regulations.

Mr. Cruickshank: In so far as my own municipal airport is concerned, we have been fairly treated. The only question I am asking is: If private companies are operating into that municipal airport, is it eligible for a grant? There are no commercial air lines operating into the municipal airport, but there are private charter concerns operating there.

Mr. Chevrier: Yes, if the municipal authorities wish to make representations, they will be considered. They are eligible.

Item agreed to.

Civil aviation division—

506. To authorize contribution of an amount not exceeding $30,420 to the state of Michigan, U.S.A, Department of Aeronautics, towards the cost of operation and maintenance of certain airways facilities at Grand Marais, Michigan, for use of Canadian aircraft, $30,420.

Mr. Macdonnell (Greenwood): Will the minister say a word by way of explaining that item? The item is so small that it indicates that we do not do much there. I had the idea there was a sort of reciprocity of use as between airports. I should like to know what the exact position is.

Mr. Chevrier: This is an emergency or alternate airfield for T.C.A. operating from Toronto to Winnipeg. Very often because of weather conditions it is forced to go down in this airport in Michigan and that is the contribution which we make for the services rendered by this airport, and we pay the state of Michigan this sum.

Mr. Macdonnell (Greenwood): Once when I was coming from Winnipeg, for reasons of weather we landed at Minneapolis-St. Paul. Just as a matter of interest, can the minister say a word about what the reciprocal arrangements are for a landing of that kind? We came down at Minneapolis-St. Paul.

Mr. Chevrier: Under the air agreement or the convention signed at Chicago, one of the main rights which air carriers have—the first air freedom—is to land in somebody else's territory; that is, any signatories of this international agreement. Therefore by virtue of the international agreement, T.C.A. can land in those ports just as American air lines can land in our ports.

Mr. Macdonnell (Greenwood): That is what puzzles me a little bit. This I take it is not an ordinary landing field. This is an emergency one which is kept up for special purposes and we are one of the subscribers.

Mr. Chevrier: It is because it is on the direct route across the lakes from Toronto to Winnipeg and it would not be kept up if it were not for our request to do so.

Item agreed to.

Civil aviation division—

508. Contribution to the government of Denmark as Canada's share in joint support of north Atlantic air navigation facilities in the Faroes and Greenland, $71,000.

Mr. Macdonnell (Greenwood): Will the minister also give a word of explanation as to what the exact arrangement is there?

Mr. Chevrier: That is a commitment under ICAO, the international civil aviation organization, whereby we with other countries participate in the facilities of Greenland: radio, airports and stations for air safety navigation. We are assessed an amount with other countries using it, among which are

Canada, the Netherlands, France and so forth. Our share is 9·8 per cent, and amounts to $71,000.

Mr. Macdonnell (Greenwood): Through whom do we negotiate that? Solely the government of Denmark?

Mr. Chevrier: Yes.

Item agreed to.

Civil aviation division—

509. Contribution to the south Pacific air transport council as Canada's share towards the maintenance and operation of air transport facilities in the south Pacific, $112,000.

Mr. Knowles: Will the minister explain this item? I note that it is a new one. Will he tell us what air services benefit by it?

Mr. Chevrier: Yes. This is to assist particularly C.P.A. on its transpacific route to Australasia. It arises out of a commonwealth agreement which was reached between New Zealand, Australia, the United Kingdom and Canada at a conference in the south Pacific last year. It has to do with the provision for the Nandi airport in the Fiji islands. We have been assessed $112,000 as our share towards the maintenance and operation of that transpacific airport facility.

Mr. Knowles: When the government turned over the operation of the Pacific service which was originally to have been carried on by T.C.A.; when it was turned over to Canadian Pacific Air Lines, why did the government not turn over this obligation to them? Why not let C.P.A. pay this?

Mr. Chevrier: I do not think it is a similar position. I do not think my hon. friend can make that argument any more than he can make the argument why do we not turn over to T.C.A. the obligation of operating the weather ships on the Atlantic, the obligation of operating the Faroes facilities, the obligation of operating the weather ships on the Pacific which are for weather purposes. I indicated a while ago these are by virtue of international agreement and we are assessed with other countries. Other countries pay their share of it too and the different air lines use it.

Mr. Knowles: Some members in the house sometimes point out that we are operating T.C.A. at a deficit. I think it would have to be admitted that some of the money that we vote —as for example, the last item—should be included in that. May I point out that we are also helping to pay C.P.A.'s deficit in some of its air line operations, and that goes for this item and for a large part, if not all, of the next two items.

Mr. Chevrier: I do not think it is correct or accurate to say that, for this reason. T.C.A. uses all sorts of facilities paid for and provided by other countries as do other lines in this country. That being the case because of the commonwealth agreement, I do not think it is correct or accurate to make the argument which my hon. friend makes. I do not want to get into a protracted argument with my hon. friend—

Mr. Martin: No; please don't do that.

Mr. Chevrier: —and a minute one, but I say to him that this is the same kind of service that is provided internationally for T.C.A. by Canada and by other countries for safer international traffic.

Mr. Knowles: I will accommodate the minister. I will not get into a protracted argument with him. I am just asking that it be noted now that a good deal of the expenses of the Canadian Pacific Air Lines for Pacific air service is paid for by the service we provide at Vancouver, by this item that we are now passing and, I have no doubt, by moneys spent by both Australia and New Zealand. That is an interesting form of private enterprise.

Mr. Chevrier: It is noted.

Mr. Fraser: I should like the minister to tell us what the other countries pay towards this. Have you a note of them?

Mr. Chevrier: The other countries pay all the capital charges.

Mr. Fraser: What other countries are there in it?

Mr. Chevrier: Australia, New Zealand and the United Kingdom. We pay 25 per cent of the cost of maintenance and operation, the other 75 per cent being paid by the three countries I mentioned.

Mr. Fulton: Does the United States pay any part of this?

Mr. Chevrier: No.

Item agreed to.

Civil aviation division—

Northwest communication system—

510. Additions and betterments, including transport equipment—capital, $497,287.

Mr. Macdonnell (Greenwood): May we have a word on this item also?

Mr. Chevrier: Yes. This is for the northwest communications system, capital vote. The other vote is for the operations. This vote of $497,000 is for improvements, replacements and major repairs to buildings, works, pole lines, structures as well as the acquisition of mechanical and motorized equipment for the system. The line was constructed by the United States government along the

Alaska highway, purchased by the Canadian government under the over-all Morgenthau-Ilsley agreement, turned over to national defence and then national defence turned it over to the Department of Transport for operation. I have a breakdown of the total amount of the vote which I can give: Summary of buildings and structures: $22,000; spiral 4 cable and transformers, $1,400; married quarters, $112,000; generator buildings, $13,000; garages, $43,000; repeater station building, $26,000; sewer and water works, $48,000; generating plants, $14,000; pump house, $9,000; major improvements to warehouse at Dawson Creek, $13,000; major improvements to repeater station, $8,000; inside plant equipment, $122,000.

Mr. Macdonnell (Greenwood): What was the acquisition figure, roughly? Does the minister remember that?

Mr. Chevrier: I could not remember. It was given in the house at the time. It was a substantial sum of money.

Mr. Macdonnell (Greenwood): Where do we find that asset set out in any public document? This is a separate asset?

Mr. Chevrier: Yes.

Mr. Macdonnell (Greenwood): Carried under that name?

Mr. Chevrier: Yes.

Mr. Macdonnell (Greenwood): By the way, I thought I heard the minister refer to an operating figure as well as capital.

Mr. Chevrier: Yes, the next vote. I am informed now that the amount paid under the Morgenthau-Ilsley agreement was some $11 million. It was for the purchase of this, the Canol project and many other things.

Mr. Macdonnell (Greenwood): Will the minister later give me an answer to my question? Where will we find reference to the capital assets?

Mr. Chevrier: I will; I do not know at the moment.

Mr. Cruickshank: I understood that maintenance of Canol was mentioned. Does that include the supply of gasoline and oil to that particular line?

Mr. Chevrier: No. I presume the maintenance my hon. friend has reference to is the Canol project. There is no vote here for the Canol project. This is all for the northwest telecommunication system.

Item agreed to.

Northwest communication system—

511. To provide for the difference between the expenditures for operation and maintenance and revenue accruing from operations during the year ending March 31, 1951, including the acquisition of materials and supplies to an amount not exceeding $125,000, $231,034.

Mr. Knowles: Before we leave these items which provide service for the various air lines participating, can the minister tell us what amount of revenue is received per year from the Canadian Pacific Air Lines for services rendered by his department?

Mr. Chevrier: This is a vote which provides for the difference between the expenditure for operation and maintenance and revenue accruing from the northwest telecommunication services. I certainly cannot answer the question asked under this item.

Mr. Coldwell: Under what item?

Mr. Chevrier: Under the general administration item.

Mr. Knowles: Which is gone.

Mr. Chevrier: Well—

Mr. Knowles: Can the minister answer it with respect to this item? So far as the northwest communication system is concerned is any revenue received by his department from the Canadian Pacific Air Lines?

Mr. Chevrier: I have the total amount of revenue which has been received this year. It is $1,100,785. The revenue has come from commercial telegraph tolls, $42,000; commercial telephone tolls, $96,000; rents from leased wires; rents from telephone equipment; rents from leased equipment; rents from other operated properties. No revenue from C.P.A.

Mr. Macdonnell (Greenwood): I find item 511 a rather curious one:

To provide for the difference between the expenditures for operation and maintenance and revenue accruing from operations during the year ending March 31, 1951, including the acquisition of materials and supplies to an amount not exceeding $125,000, $231,034.

In other words we have no operating statement. We do not know exactly what is happening. I suggest that the minister give us an operating statement. While I am on my feet I should like to ask this question. Where do we get other information which will be more illuminating as to the nature of this operation, which is of some substance?

Mr. Chevrier: This line is operated by the Canadian National Railways. When the committee on railways and shipping was sitting it would have been proper for any hon. member to ask the Canadian National Railways for a breakdown of this item, how it was operating, what the revenues were and the like. That committee has made its report to the house and is sitting no longer. I could

give the information which I have here covering the revenues. That I have done already. The expenses, as furnished to me by the Canadian National Railways, are: maintenance, $681,000; conducting operations, $456,000; unemployment insurance, $3,000; general and miscellaneous, $65,000; making total operating expenses, $1,200,000; net deficit, $106,000.

Mr. Macdonnell (Greenwood): Does the statement of this enterprise appear in the Canadian National Railways statement?

Mr. Chevrier: No, it does not.

Mr. Macdonnell (Greenwood): I do not want to delay matters at this time, but I should like the minister to agree to this. Will the minister agree to get me a reasonably full statement of the operation of this enterprise.

Mr. Chevrier: Yes, I will.

Mr. Coldwell: I was surprised that there was no revenue from the Canadian Pacific Air Lines in the area which we are discussing. It seems to me that many services are provided for the Canadian Pacific Air Lines in the Northwest Territories into which they fly. My hon. friend reminds me that some of these services are provided for that particular line. It seems to me a queer way of running a private enterprise organization, when the country has to put up large sums of money to provide the facilities for this air line. I am sorry that we missed raising the whole question of revenue from the C.P.A. on the administration item. Of course one can put a question on the order paper at another time and get the information. I was surprised that there was no revenue. I did not think that there would be a great deal, but I thought that the C.P.A. would be bearing some part of the expenses.

Mr. Chevrier: There is a misapprehension concerning this item. This is not airport facilities; it is a telecommunication service, telephone and telegraph. The Canadian Pacific Air Lines pay landing fees, they pay charges, and they pay rental on all the airports of the Department of Transport in the Northwest Territories and elsewhere which they use. I gave a breakdown a while ago of the telegraph tolls, which amounted to $42,000 and the telephone tolls which amounted to $96,000. I am sure that in those amounts must be bills that have been rendered to the Canadian Pacific Air Lines and all the other air lines that use the telephone and telegraph services in that area, but it is lumped in that amount.

Mr. Coldwell: What about the beam, the radio service?

Mr. Chevrier: There is no charge for that. I indicated a while ago that that is provided free by the department.

Item agreed to.

Meteorological division—

512. Meteorological services, $4,958,450.

Mr. Fraser: Six o'clock.

Mr. Chevrier: I understand that the Minister of Finance would like to move that progress be reported.

Item stands.

Progress reported.

SUPPLEMENTARY ESTIMATES, 1950-51

A message from His Excellency the Governor General transmitting supplementary estimates for the financial year ending March 31, 1951, was presented by Hon. Douglas Abbott (Minister of Finance), read by Mr. Speaker to the house, and referred to the committee of supply.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

PRIVATE BILLS

CONSIDERED IN COMMITTEE—THIRD READINGS

The house in committee on Bills Nos. 136 to 151 inclusive, Bills Nos. 154 to 176 inclusive, Bills Nos. 182 to 204 inclusive and Bills Nos. 211 to 220 inclusive, Mr. Beaudoin in the chair.

Bill No. 136, for the relief of Ethel Bell Lifshitz.—Mr. Winkler.

Bill No. 137, for the relief of Martin Matthew Waagemans.—Mr. Winkler.

Bill No. 138, for the relief of Elaine Ruby Cooper Pierre.—Mr. Winkler.

Bill No. 139, for the relief of Gertrude Toulch Standard.—Mr. Winkler.

Bill No. 140, for the relief of Thomas Gordon Williams.—Mr. Winkler.

Bill No. 141, for the relief of Ethel Lerner Baker.—Mr. Winkler.

Bill No. 142, for the relief of Robert Earl Skinner.—Mr. Winkler.

Bill No. 143, for the relief of Chasia Berger Wolf.—Mr. Winkler.

Bill No. 144, for the relief of Henry William Askew.—Mr. Winkler.

Bill No. 145, for the relief of Leman Makinson.—Mr. Winkler.

Bill No. 146, for the relief of Rose Anna Levesque Kirkland.—Mr. Winkler.

Bill No. 147, for the relief of Douglas Barrymore Stone.—Mr. Winkler.

Private Bills—Divorce

Bill No. 148, for the relief of Nancy Doria Evan-Wong Meade.—Mr. Winkler.

Bill No. 149, for the relief of Louise Elizabeth Garner Mitchell.—Mr. Winkler.

Bill No. 150, for the relief of Vivian Pearl McCrea Gunning.—Mr. Winkler.

Bill No. 151, for the relief of George Bruce Lancaster.—Mr. Winkler.

Bill No. 154, for the relief of Lillian Soper Pearce Smith.—Mr. Winkler.

Bill No. 155, for the relief of Antoinette Carriere Lepine.—Mr. Winkler.

Bill No. 156, for the relief of Marjorie Blythe Shore Marriott.—Mr. Winkler.

Bill No. 157, for the relief of Norman Harold Lucas.—Mr. Winkler.

Bill No. 158, for the relief of Blanche Irene Aurore Schryer Batryn.—Mr. Winkler.

Bill No. 159, for the relief of Leah Judith Godfrey Green.—Mr. Winkler.

Bill No. 160, for the relief of Phyllis Martin Payne.—Mr. Winkler.

Bill No. 161, for the relief of Geraldine Estelle Leduc Brunet.—Mr. Winkler.

Bill No. 162, for the relief of John Allen Young.—Mr. Winkler.

Bill No. 163, for the relief of Laura Kathleen Potter Stewart.—Mr. Winkler.

Bill No. 164, for the relief of Edna Hannah Keene Ley.—Mr. Winkler.

Bill No. 165, for the relief of Ada Friedman Mendelsohn.—Mr. Winkler.

Bill No. 166, for the relief of Ann Mitchell Rabinovitch.—Mr. Winkler.

Bill No. 167, for the relief of Ernest Joseph Poirier.—Mr. Winkler.

Bill No. 168, for the relief of Maria De Gregoria Zarbatany.—Mr. Winkler.

Bill No. 169, for the relief of Jean Paul Verret.—Mr. Winkler.

Bill No. 170, for the relief of Gladys Eileen Hungate Norman.—Mr. Winkler.

Bill No. 171, for the relief of Marie-Anne Alice Lalonde Campey.—Mr. Winkler.

Bill No. 172, for the relief of Sadye Gasn Blidner.—Mrs. Winkler.

Bill No. 173, for the relief of Lera Mary Rombough Kirkey.—Mr. Winkler.

Bill No. 174, for the relief of Micheline Loranger Major.—Mr. Winkler.

Bill No. 175, for the relief of Jane Letitia Hardie Ball.—Mr. Winkler.

Bill No. 176, for the relief of Russell Mowbray Meredith.—Mr. Winkler.

Bill No. 182, for the relief of Jack Elmhirst Webster.—Mr. Winkler.

Bill No. 183, for the relief of Annie Kwiat Maislin.—Mr. Winkler.

Bill No. 184, for the relief of Douglas Charles Blair.—Mr. Winkler.

Bill No. 185, for the relief of Therese Simonne St. Onge Laurier.—Mr. Winkler.

[Mr. Chevrier.]

Bill No. 186, for the relief of Carmen Emily Adelle McCoy Jackson.—Mr. Winkler.

Bill No. 187, for the relief of Helen Alma Lambert Anderson.—Mr. Winkler.

Bill No. 188, for the relief of Bertha Marks Cohen.—Mr. Winkler.

Bill No. 189, for the relief of Stella Margaret Rollo McKee.—Mr. Winkler.

Bill No. 190, for the relief of Helena Matyla Martyniak.—Mr. Winkler.

Bill No. 191, for the relief of Marie Rosanna Emelda (Imelda) Lecomte Bolduc—Mr. Winkler.

Bill No. 192, for the relief of Rose Slosarczyk Bydlinski.—Mr. Winkler.

Bill No. 193, for the relief of Helen Meadows MacNaughton.—Mr. Winkler.

Bill No. 194, for the relief of Walter Kerr Dow.—Mr. Winkler.

Bill No. 195, for the relief of Thora Yvonne Easy Weaver.—Mr. Winkler.

Bill No. 196, for the relief of Robert Cohen. —Mr. Winkler.

Bill No. 197, for the relief of Ruby Gladys Burns Thornhill.—Mr. Winkler.

Bill No. 198, for the relief of Joseph François Xavier Beland.—Mr. Winkler.

Bill No. 199, for the relief of Joseph Neist.— Mr. Winkler.

Bill No. 200, for the relief of Harry Goldbloom.—Mr. Winkler.

Bill No. 201, for the relief of Winnifred Julia Lester Stockless.—Mr. Winkler.

Bill No. 202, for the relief of George Eustorgio Lanzon.—Mr. Winkler.

Bill No. 203, for the relief of Laurette Amyot McGroarty.—Mr. Winkler.

Bill No. 204, for the relief of Hilda Marie Adeline Bouvier Cardy.—Mr. Winkler.

Bill No. 211, for the relief of Reuben Robert Shapiro.—Mr. Winkler.

Bill No. 212, for the relief of Mary White Sheppard.—Mr. Winkler.

Bill No. 213, for the relief of Ulderic Cadieux.—Mr. Winkler.

Bill No. 214, for the relief of Helen Irene Barney Hutchinson.—Mr. Winkler.

Bill No. 215, for the relief of Alice Jean Young Gulliver.—Mr. Winkler.

Bill No. 216, for the relief of Joseph Lucien Alphonse Martel.—Mr. Winkler.

Bill No. 217, for the relief of Georges Emile Bernier.—Mr. Winkler.

Bill No. 218, for the relief of Margaret Veronica Quinn Davies.—Mr. Winkler.

Bill No. 219, for the relief of Max Gurevitch.—Mr. Winkler.

Bill No. 220, for the relief of Romuald Joseph Jean Lamoureux.—Mr. Winkler.

The Deputy Chairman: Shall the bills carry?

(Translation):

Mr. LaCroix: Mr. Speaker, I must register the strongest protest against the passage of these bills. About one hundred divorce bills are now before the house and, unfortunately, new batches of them keep coming every two weeks in ever growing numbers.

I wish to protest against a state of affairs that I find deplorable in the extreme. I should have been very glad to see five members rise with me and request a division on those bills, so as to drown them out for good by an overwhelming majority.

(Text):

The Deputy Chairman: Shall the bills carry?

Mr. LaCroix: On division.

Bills reported on division.

Mr. Matthew MacLean (Cape Breton North and Victoria) moved the third readings of Bills Nos. 136 to 151 inclusive, 154 to 176 inclusive, 182 to 204 inclusive and 211 to 220 inclusive.

Mr. LaCroix: On division.

Motion agreed to and bills read the third time and passed on division.

CONSIDERED IN COMMITTEE—THIRD READINGS

Bill No. 205, to incorporate United Security Insurance Company.—Mr. Dickey.

Bill No. 206, to incorporate the Apostolic Trustees of the Friars Minor or Franciscans. —Mr. Cote (Verdun-La Salle).

Bill No. 207, to incorporate the Canadian Commerce Insurance Company.—Mr. Robinson.

SASKATCHEWAN MUTUAL INSURANCE COMPANY

Mr. Matthew MacLean (Cape Breton North and Victoria) moved that the house go into committee on Bill No. 208, to incorporate Saskatchewan Mutual Insurance Company.

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

On section 1—*Incorporation.*

Mr. Fraser: I think you should mention that these bills have all been before the banking and commerce committee.

The Deputy Chairman: It is my understanding that these bills have all been carefully considered in the standing committee on banking and commerce.

Section agreed to.

Sections 2 to 19 inclusive agreed to.

Bill reported, read the third time and passed.

SECOND READINGS—SENATE BILLS

Mr. Matthew MacLean (for Mr. Winkler) moved that the following bills be read the second time:

Bill No. 223, for the relief of Marilyn Ruth Cohen Novak.—Mr. Winkler.

Bill No. 224, for the relief of Mary Elizabeth Bernatchez Russell.—Mr. Winkler.

Bill No. 225, for the relief of Winnifred Evelyn Thompson Clift.—Mr. Winkler.

Bill No. 226, for the relief of Maida Maria Howard Martin.—Mr. Winkler.

Bill No. 227, for the relief of June Hedy Leshynska Thompson.—Mr. Winkler.

Bill No. 228, for the relief of Rosemary Smalley Carrier.—Mr. Winkler.

Bill No. 229, for the relief of William Arthur Goodson.—Mr. Winkler.

Bill No. 230, for the relief of Dorothy Melbourne Davis Wand.—Mr. Winkler.

Bill No. 231, for the relief of Frank Lear Rogers.—Mr. Winkler.

Bill No. 232, for the relief of Roma Leduc. —Mr. Winkler.

Bill No. 233, for the relief of Edna Rosaline Casavant Dufresne.—Mr. Winkler.

Bill No. 234, for the relief of Leo Berger. —Mr. Winkler.

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

Mr. Viau: On division.

Mr. Speaker: Carried on division.

Motion agreed to on division and bills read the second time.

Mr. Speaker: These bills are referred to the standing committee on miscellaneous private bills.

DIVORCE JURISDICTION

EXCHEQUER COURT TO HAVE JURISDICTION IN ACTIONS ORIGINATING IN QUEBEC AND NEWFOUNDLAND

Mr. Stanley Knowles (Winnipeg North Centre) moved the second reading of Bill No. 13, to provide for the jurisdiction of the Exchequer Court of Canada in matters of divorce.

He said: Mr. Speaker, I have introduced Bill No. 13 because I believe it will meet the wishes of members of the House of Commons. Certainly hon. members will agree with me that there is a desire that something be done so that the practice we have followed tonight, as we have on a good many other occasions, of letting ourselves be turned into a divorce mill may be brought to an end. I want to say a few things about the measure. Before I do so I should like to point out that it should have the interest and support of those in the house who are opposed to

divorce and therefore must deplore the fact that they are parties to the divorces that go through parliament. I feel also it should have the support of those who, while just as much against divorce, recognize that there is such a thing and feel that it should be dealt with properly in the courts.

I want to point out that the bill does not change the grounds for divorce in any way whatsoever. There may be members of the house who will be disappointed that it does not do so but it is crystal clear from the way in which the bill is drafted, and certainly it is my intention not to change the grounds for divorce in any way so far as this bill is concerned. It does not establish divorce courts in the provinces of Quebec or Newfoundland. I mention those two provinces because the reason for the bill is that they now have no divorce courts, and that is why persons residing therein who wish to secure divorces have to come to parliament and get private acts such as we have put through by the score tonight.

As I have said, it is very clear that the bill does not establish divorce courts in those two provinces where we are led to believe the people do not want them. I would point out further that the bill does not make available to persons residing in Quebec or Newfoundland anything not now available to them. Persons in those provinces who feel that they must try to secure divorces can come to parliament and get them. It is being done every session. In fact I believe the numbers have reached about three or four hundred a year. When I introduce this bill providing another place, other than the other place, for these people to go it does not make available to them anything not now available. All the bill does is to transfer the hearing of divorce petitions, in the case of persons residing in the provinces of Quebec and Newfoundland, from parliament to the exchequer court. In other words, it transfers it from one building to another, from the centre block to the building to the west where the exchequer court meets.

It is clear from the bill, and is set out in the explanatory note, that jurisdiction as to alimony, care of children and other matrimonial causes will remain in the provincial courts of the two provinces of Quebec and Newfoundland. The terms of the bill of course will not appear on *Hansard*, but despite the fact that there are three sections, and that one of them is a bit lengthy, it boils down simply to this, that if this bill were passed it would give to the exchequer court jurisdiction to try divorce cases involving persons residing in the two provinces I have named. Hence the name of the bill is an act to provide for the jurisdiction of the Exchequer Court of Canada in matters of divorce, and the short title would be the exchequer court divorce jurisdiction act.

I would also point out, as I have already done briefly, to those who feel that we should be making some progressive reform in divorce that the bill does not meet that desire at all. Nevertheless I feel such people should support the measure because they surely cannot be satisfied with what should be dealt with in a court being dealt with in the way it is in parliament. To those who are thoroughly and unalterably opposed to divorce, may I point out with the utmost of respect that nevertheless they are parties to divorces being granted. I noted the hon. member for Quebec-Montmorency (Mr. LaCroix) said "on division" tonight when the house put through a group of divorce bills, but neither he nor other members who say they are unalterably opposed to such measures talked them out, which is a means they could employ if they are really opposed to them. They let them go through, and so long as we deal with divorce petitions from these two provinces in this parliament, so long as they are permitted to go through by the hundreds each year, it means that all of us in the House of Commons, no matter how much some members may shout "on division", are parties to scores and hundreds of divorces at a time.

It seems to me if that is the case it would be far better to regularize the whole procedure by having it done in a more appropriate place, namely, in a court of law. As hon. members know, this matter has been discussed a good many times in the house, and if there is a better suggestion I am quite ready to accept it in preference to this one. I think unless there is a better suggestion, and if hon. members are not prepared to agree to this proposal then we should not have any more complaints about our having to deal with divorces being put through in this House of Commons.

Now, Mr. Speaker, I am going to make a rather unusual suggestion. One does not usually do this with his own bill, but I want to make it clear that I am trying to render something of a service, trying to meet what I think is a fairly evident wish on the part of hon. members. I know it is frequently said when a private member's public bill comes up that it is unfair to ask the house to make a decision on a matter of some importance within the space of the hour allotted to private and public bills. Many times it has been said that this is the sort of thing which should be discussed in committee. All right; I will not be disappointed at all if someone takes up the suggestion and moves an amendment to

the motion for second reading to the effect that this bill be not now read a second time but that the subject matter thereof be referred to the standing committee on miscellaneous private bills. In fact if that suggestion does appeal to anyone, and if it looks as though an attempt is going to be made to talk out the bill, I have that amendment already typed out, ready for anyone to move as an amendment to my own bill.

I know if that amendment should be put and carried it would be the end of the bill for this session, because the negating of second reading kills the bill itself. The result would be that the subject matter of the bill, as distinct from the bill itself, would be referred to the committee on miscellaneous private bills, which could then discuss the matter, hear witnesses if it wished, and report back to the house if it wished. At any rate that would be a means of getting a little more time than the one hour period, and would also be a means of getting the matter discussed freely and frankly without any question of whether or not the principle of a particular proposal is being supported.

I do not recall an hon. member of this house ever before suggesting that his own bill should be treated in that way. I know when that was done to one of my bills a few years ago I was quite annoyed. But the whole purpose of the present bill, obviously, is not to present any social or economic principle to which some of us may be closely attached. Rather it is to deal with one of the problems of our own House of Commons, one of the things I am sure have bothered all of us; and I would hope that in one way or the other either this proposal itself or the problem it seeks to solve might be considered earnestly and sincerely by the members of this house. I do hope the house will either consent to second reading and have the bill itself go to committee to be discussed or, if that is too much to ask at this stage of the game, I would be quite happy if someone were to move that the bill be not now read a second time but that the subject matter be referred to the committee on miscellaneous private bills for further study.

Mr. W. R. Kent (Humber-St. George's): Mr. Speaker, I wish to make a few remarks on the bill now before the house relating to the dissolution of the marriage of persons domiciled in the provinces of Quebec and Newfoundland. This bill purports to extend the jurisdiction of the Exchequer Court of Canada to entertain divorce suits and to grant divorces to persons domiciled in those two provinces.

As one of the elected representatives of the province of Newfoundland I wish to place on record my attitude toward this bill. As hon. members know, this is the first parliament during which I have had the privilege of sitting in this house. I have heard the matter of divorce discussed on the presentation of divorce bills here. I am a member of the standing committee on miscellaneous private bills to which divorce bills come after they are given second reading here, and I have given this problem a great deal of thought. I have no doubt the hon. member who introduced this bill did so with the sincere intention and honest endeavour to provide a means of dealing with the matter of divorce in the provinces concerned, in a manner he believes will be suitable and acceptable to all and which will take the place of the present procedure. For that he is entitled to full credit. However, I have to say that I cannot support this bill.

There were no divorce courts in Newfoundland and no divorce legislation prior to union with Canada, and there has been no change in that situation since union. In support of that statement I should like to refer to the terms of union of Newfoundland with Canada, and in particular to clause 18.

18. (1) Subject to these terms, all laws in force in Newfoundland at or immediately prior to the date of union shall continue therein as if the union had not been made, subject nevertheless to be repealed, abolished, or altered by the parliament of Canada or by the legislature of the province of Newfoundland according to the authority of the parliament or of the legislature under the British North America Acts, 1867 to 1946, and all orders, rules and regulations made under any such laws shall likewise continue, subject to be revoked or amended by the body or person that made such orders, rules, or regulations or the body or person that has power to make such orders, rules or regulations after the date of union, according to their respective authority under the British North America Acts, 1867 to 1946.

(2) Statutes of the parliament of Canada in force at the date of union, or any part thereof, shall come into force in the province of Newfoundland on a day or days to be fixed by act of parliament of Canada or by proclamation of the governor general in council issued from time to time, and any such proclamation may provide for the repeal of any of the laws of Newfoundland that

(a) are of general application;

(b) relate to the same subject matter as the statute or part thereof so proclaimed; and

(c) could be repealed by the parliament of Canada under paragraph one of this term.

(3) Notwithstanding anything in these terms, the parliament of Canada may with the consent of the legislature of the province of Newfoundland repeal any law in force in Newfoundland at the date of union.

(4) Except as otherwise provided by these terms, all courts of civil and criminal jurisdiction and all legal commissions, powers, authorities, and functions, and all officers and functionaries, judicial, administrative, and ministerial, existing in Newfoundland at or immediately prior to the date of union, shall continue in the province of Newfoundland as if the union had not been made, until

altered, abolished, revoked, terminated, or dismissed by the appropriate authority under the British North America Acts, 1867 to 1946.

That sets out the jurisdiction of the courts and laws in Newfoundland at the date of union. There has been no change in that situation, except that since Newfoundland entered confederation it would appear that persons in that province seeking divorce may do as those from Quebec have done; that is, proceed by way of petition and the enactment of a private act of the federal parliament. At present there are no divorce courts in Newfoundland, and I have heard of no intention or express desire of the people of Newfoundland to set any up. The bill before us proposes to change the situation, and virtually set up divorce courts or provide divorce jurisdiction before which persons seeking divorces in Quebec and Newfoundland could be heard. In my opinion this should not be done unless the people of those provinces desire it.

I know the hon. member in introducing this bill stated it did not establish divorce courts in Quebec or Newfoundland. My contention is to the contrary, and that it has the effect of virtually establishing divorce courts in those provinces. So far as I understand, and can ascertain, the exchequer court is a court that has power to sit on circuit. Section 34 of the Exchequer Court Act reads as follows:

Subject to rules of court, any judge of the exchequer court may sit and act at any time and at any place in Canada for the transaction of the business of the exchequer court or any part thereof.

As I see it, therefore, when the Exchequer Court of Canada sits on circuit in Quebec or Newfoundland, it brings a divorce court into those provinces. In addition to that, we might well be passing an enactment not suitable to the provinces concerned. Newfoundland is new to confederation, and new to the idea of divorce law applicable to that province. I feel that I should not support any bill to set up divorce courts in Newfoundland, nor to make any change in the present situation, unless I am satisfied such a change would be suitable and acceptable to the people. I am not satisfied on this point so far. I believe the establishment of divorce courts is a matter for the provinces concerned to decide for themselves, and not for us.

Further, I am not satisfied that this bill is appropriate to the situation. The exchequer court is a court having special jurisdiction in causes involving crown matters relating to patents, trade-marks, copyrights, income tax appeals and other allied proceedings not in the same class as divorce actions. It seems to me, therefore, that the procedure set out in this bill is not the correct procedure to adopt.

[Mr. Kent.]

In giving jurisdiction to the exchequer court, legal and practical difficulties might arise under the provisions contained in the Exchequer Court Act. Under this bill the care of the children and other matrimonial causes are left to the provincial courts. This involves an examination of the jurisdiction of provincial courts in order to be sure that it would be adequate to cover this very important consideration. It must be remembered that Newfoundland has no divorce courts, and that although certain jurisdiction resides in the Newfoundland courts in relation to such matters, I would require to be satisfied that the jurisdiction of the Newfoundland courts would be adequate in this respect.

For the reasons stated, Mr. Speaker, I cannot support this bill and propose to vote against it.

Mr. Raoul Poulin (Beauce): As representative of a constituency located in one of the two provinces mentioned in the bill before the house, I feel it is my privilege to express my own views on the subject. I want to say that if a vote is called upon the bill, I shall vote against it. Since I desire to be as clear and precise as possible, I shall continue in my own language.

(Translation):

I can say without exaggeration, Mr. Speaker, that if the citizens of the province of Quebec were called upon to express themselves directly on the merits of Bill 13, an overwhelming majority would vote against it.

The people of Quebec are sincerely convinced that marriage is indissoluble. Therefore they have no use for courts of law that would dissolve marriage and grant divorces. This firm belief comes from two main sources: firstly, our code of civil law, and secondly the Catholic faith, which is our official religion.

(1) Section 185 of the civil code of the province of Quebec states that:

Marriage is dissolved only through the natural death of one of the partners; as long as both are living, it is indissoluble.

All hon. members must know that Quebec is still governed by the old French civil law, which of course has undergone some changes and amendments, but which formerly, at least, did not recognize divorce.

Until the Union Act of 1840, divorce was never recognized, *de facto* or *de jure*, by the legislatures of Upper and Lower Canada.

In 1857, the imperial parliament in London passed a divorce act and Lord Stanley, then Secretary of State for the Colonies, pressed the Canadian government to vote similar

legislation. A proposal to set up a divorce court was even submitted to the Canadian parliament in June, 1858, but it was turned down.

In 1860, a new petition requesting enactment of divorce legislation was again submitted to the Canadian parliament but it was not approved. No other proposal of this kind was introduced during the whole of the Union regime in Canada. In other words, until confederation, in 1867, the parliament of Canada, which then included present day Ontario and Quebec, would not recognize the principle of divorce.

That, however, is not altogether correct since, under the Union regime, from 1840 to 1867, the parliament of Canada, without agreeing to put divorce legislation in the statutes, nonetheless approved four private bills granting divorce.

We come now to the constitution of 1867. There, for the first time, the principle of divorce was recognized. Section 91 of the British North America Act vested in the dominion parliament the exclusive right to legislate in the matter of marriage and divorce.

Whether we like it or not, and much as I regret to admit it, as far as divorce is concerned, it is strictly within the power of the parliament of Canada to legislate for Quebec and Newfoundland, as well as for any other province. It was thought for a time, particularly in the province of Quebec, that under section 129 of the Canadian constitution Quebec could be preserved from that extremely hazardous situation in respect of divorce and matrimony. However, section 91 inevitably reminds us of that sad situation.

Of course, all this was not agreed to without at least some protests from some of the Catholic religious leaders in Quebec. Such protests, however, were ignored.

There even was talk of a compromise said to have been reached at the time between certain representatives of the Quebec religious and civil authorities on the one hand, and the fathers of confederation on the other. It was suggested that the minority element and the Quebec Protestants would gain by this compromise.

Moreover, in 1888, the right of the federal parliament to enact divorce legislation took concrete form with the establishment of a senate committee which became, in effect, a real divorce court charged with hearing cases originating in Quebec and Ontario.

That is why today, although I oppose this bill with all the energy at my command, I feel the greatest forbearance towards those who suggest a change in the practical application of a principle which, unfortunately, was given clear recognition at the time of confederation and which, in 1888, destroyed the indissolubility of Christian marriages in all Canadian provinces, Quebec included.

At the time, this parliament decided to retain the divorce laws in force before confederation. British Columbia, in 1858, had adopted the divorce law passed by the imperial parliament the previous year. In 1857 the maritime provinces already had their own laws. In 1886 and 1888 the federal parliament enacted two laws (49 Victoria, chapter 25 and 51 Victoria, chapter 33) whereby jurisdiction in divorce matters was handed to the superior courts of the three prairie provinces.

In 1930, through 20-21 George V, chapter 14, passed by the federal parliament, the province of Ontario was in turn invested with the right to have its divorce cases settled by its own supreme court.

Therefore only Quebec and Newfoundland are still left without any proper court to hear divorce cases.

Has the Canadian parliament the right to foist such a court upon them? I hesitate to venture an answer and I leave it to those members who are better qualified to defend a cause which, from a strictly legal point of view, seems to me already lost.

The explanatory note in the bill now before the house says that it "does not establish divorce courts in Quebec and Newfoundland". Very well; but I would very much like to know what practical or basic difference there is between establishing a divorce court in Quebec or for the province of Quebec. Will not husbands and wives be separated and homes destroyed just as before, with all the consequences we know.

If this Bill 13 were to be adopted, I would much rather see the present system maintained, though I detest it wholeheartedly, for it is both disgraceful and unsound. Disgraceful, because of the way the investigations are made; unsound, because of the waste of time it entails for officials who have so much else to do.

Besides, is it not strange that generally it is members from other provinces who strive to find ways and means of settling matrimonial disputes arising in the province of Quebec? It has been said that their aim is to take these matters out of the hands of the federal parliament. If the federal parliament

is annoyed with divorce petitions from the province of Quebec, all it has to do is to set them aside, to ignore them, and the province of Quebec will be satisfied!

If petitioners for special bills designed to make divorce easier had as much trouble getting a hearing before parliament as certain other petitioners whose requests are sometimes perfectly reasonable, there would soon be a marked drop in the number of Quebec people who would monopolize the valuable time and the sacred duties of the legislators in an attempt to have bills adopted that clash with our own civil code and the immutable principles of Catholic faith!

Although I fear that it might perhaps be difficult, from a strict constitutional point of view, to prevent the parliament of Canada from legislating for Quebec on divorce matters, I feel reassured when I appeal to the uprightness, the common sense, the intelligence and the good will of the members of this house.

I do not question in the least the intention of the mover of this bill. On the contrary, I believe he is sincere and anxious to solve a difficult problem in the most effective manner. Through you, Mr. Speaker, I would therefore ask him if he considers it wise to introduce a bill which is a direct attack upon the religious beliefs of the great majority of the people of Quebec. Those people believe in the teachings of Christ, who said and I quote from the gospel according to St. Mark:

> What therefore God hath joined together let not man put asunder.

We find a very similar statement in St. Matthew. Therefore, not only are we forbidden, as Catholics, to recognize divorce or the courts where divorce hearings are held, but as Catholics we are not allowed—at least it is my humble opinion—to share in the drafting or passage of bills that in fact institute divorce for persons joined in Catholic marriages.

For that reason, every time special legislation or private bills are introduced in connection with divorce I shall avail myself of our present privilege to oppose them, as the hon. member for Quebec-Montmorency (Mr. LaCroix) did a moment ago.

I do not see what use divorce or the alarmingly increasing number of divorced persons can be to Canada or the Canadian people. According to the saying, "As goes the family, so goes the nation". The family is the basis, the bedrock of a nation.

In a booklet published in 1949 by the information branch of the United Nations Organization, I find a chapter which bears the title: "General Declaration of the Rights of Man." In paragraph 3 of section 16, the General Assembly states:

> The family is the natural and fundamental group unit of society and is entitled to protection by society and state.

Will anyone deny that divorce destroys home and family?

Think of the lot in store for the victims of their parents' divorce and separation. Think of those innocent beings who, too often, unfortunately, are in danger of becoming human derelicts. Remember that, far too frequently, we are, I am sorry to say, much more interested in dealing with the lot of divorced parents than with that of their children. Do not forget that, as it becomes increasingly easier to obtain a divorce, far too many married couples will not even think of setting up their home on the firm bases which are likely to make it a permanent institution. Yet we know that children are sometimes an obstacle in the way of an easy divorce and that, as a result, a great many married people prevent the child from taking its place in the home! When we reflect on all that, are we not justified in saying that divorce destroys the family and that it is a blight on the body of marital society?

It is not by laws or by divorce courts that threatened homes can be stabilized. It is not by weakening the ties of marriage that marriage will be strengthened. This principle is acknowledged today by most right-thinking sociologists. In the United States, "marriage clinics" have been created where an attempt is made, outside the courts of justice, to mend broken homes. That is, undoubtedly, a useful, though inadequate gesture. We need better remedies.

That is why in Quebec we have realized the seriousness of the situation—one would have to be blind to fail to see the danger that threatens Quebec—and have established during the last few years, not "marriage clinics" but "marriage preparation clinics".

They are meant to fully inform future wives and husbands of the greatness of marriage, about its sanctity, its importance to the couple's earthly and eternal happiness, to teach them the true ends of marriage, the permitted things and those which are forbidden.

This method, I hope, will restore unto marriage that Christian quality of everlastingness which it is in the process of losing.

I remember having heard last year a member of this house remark: "It is better to separate if you cannot go on living together." I should be tempted to answer that by the converse statement: "Better not to get married at all if it is only to be separated." That, Mr. Speaker, might be the crux of this whole matter. In certain quarters, even among certain members of the legal profession, it is suggested that we make divorce easier, for all kinds of reasons. The simplest reason, and that which requires no demonstration, is that it is hoped to have the largest number of divorces possible. If this theory of easier divorce gains favour, we will soon have a situation in which the first marriage will become, all too often unfortunately, a probationary period, a novitiate, a period of apprenticeship, a trial flight, a test through which one will try to find out if the partner with whom one is temporarily associated is capable of rendering all the services which will serve to satisfy one's narrow egotistical nature, without too much being expected in return; or else one shall try to find out how long the rose which has been picked will retain its scent, all the while seeking, in somebody else's garden, another flower with finer petals and sweeter scent, a flower in full bloom when the time comes to replace the one that has just withered!

Mr. Speaker, the province of Quebec does not recognize divorce, it does not want it, it does not want a court to regulate it and it believes there is no need for the parliament of Canada, or for a court established by parliament, to waste their time in granting it favours which it does not want and for which it has no use.

For all those reasons, I shall vote against the bill.

Mr. Fernand Viau (St. Boniface): Mr. Speaker, I regret that very little time is left for me to—

(Text):

Mr. Speaker: The hour for private and public bills having expired, the house will resume consideration of the matter under discussion at six o'clock.

SUPPLY

The house resumed in committee of supply, Mr. Beaudoin in the chair.

DEPARTMENT OF TRANSPORT

Meteorological division—

512. Meteorological services, $4,958,450.

Mr. Lennard: Is there any explanation of this item? I was not in the house at six o'clock. Was an explanation given?

Mr. Chevrier: This is the ordinary meteorological services item for weather stations of the department.

Mr. Wright: Is all meteorological work in the different departments of the government done by the Department of Transport, or have the navy and the air force meteorological stations of their own?

Mr. Chevrier: No; we do the work for the Department of National Defence.

Mr. Brooks: I notice on page 302 that in 1949-50 there were 49 meteorologists, grade 3. In 1950-51 there are 119. If you follow it through you find that in 1949-50 there were 9 assistants and this year there are 30. Another item shows 9 previously and 143 for this year. Why has there been such a change in the number?

Mr. Chevrier: For the same reason I gave on a number of other votes, because temporaries have become permanents.

Mr. Macdonnell (Greenwood): I should like to know a little more about this in so far as it can be explained to a layman. Is this service maintained in the interests of flying, both civilian and military?

Mr. Chevrier: Yes, and for other purposes as well. Climatological surveys are made and published from time to time.

Mr. Macdonnell (Greenwood): What about marine work?

Mr. Chevrier: It covers all marine and navigational work, ship to shore.

Item agreed to.

Meteorological division—

513. Construction and improvements, $600,625.

Mr. Lennard: An item of $170,000 is shown for printing, stationery and office equipment; what part is for office equipment?

Mr. Chevrier: I would not think there would be any office equipment in this vote. To what page is my hon. friend referring?

Mr. Lennard: Page 303, near the bottom.

Mr. Chevrier: I can give my hon. friend a breakdown of that item of $170,625. In addition to the usual items of printing, stationery and office equipment there is a sub-item covering meteorological maps, charts and special forms required for the operation of the forecast offices; teletype paper for all

stations served by the teletype network, and publication of climatological and other meteorological data in pamphlet form.

Mr. Macdonnell (Greenwood): I want to remind the minister that some questions on the teletype service were left over to be brought up when he thought best. The minister will remember that he wanted them left over until a later item and I am leaving it to him to say when he would like to deal with them. They do come up under this item.

Mr. Chevrier: When my hon. friend brought those up I referred him to two items, 510 and 511, which have to do with the north-west communication system. I understood when those items were called that the information given at that time was satisfactory. If there is additional information my hon. friend wants perhaps I could get it for him later on.

Mr. Macdonnell (Greenwood): My questions were left over on the understanding that the minister wanted them to be brought up later and I do not think reference was made to any special items. My questions can be asked now. What teletype services have we outside the country, for example, to Washington?

Mr. Chevrier: I wonder if we could not leave that for later discussion? An item will be allowed to stand to permit a discussion next Friday. I was under the impression that the matter was discussed under those two items. I have not an answer to the question which my hon. friend has asked.

Mr. Macdonnell (Greenwood): We do not want to have a jangle about this thing, but I made it very clear just what I wanted, the minister asked to have it left over, and I agreed.

Mr. Chevrier: Let us get this clear. I asked to have it left over and if you consult *Hansard* you will see that I specifically mentioned 510 and 511. Those are the two votes under which it could be brought up.

Mr. Lennard: You just skipped them.

An hon. Member: They are passed.

Mr. Chevrier: I know they are passed and nothing was said about the matter. I certainly was not going to tell my hon. friend to go ahead and ask questions. If the hon. member has been harmed in any way he will have an opportunity of bringing it up again.

Mr. Macdonnell (Greenwood): I am asking it now and I am going to stick to it. I am not going to take a chance of any further misunderstanding.

[Mr. Chevrier.]

Mr. Knowles: You may not get it when we are dealing with freight rates.

Mr. Chevrier: The teletype is used to collect weather data from the whole country. I am informed that there are over 20,000 miles of teletype.

Mr. Macdonnell (Greenwood): I have asked what teletype service we have outside the country, particularly to Washington.

Mr. Chevrier: The information I have is that the teletype service extends to the border only where it connects with the United States service.

Mr. Macdonnell (Greenwood): Is that the only teletype service we have between here and Washington? Is there any other service by the Department of External Affairs or the Department of National Defence?

Mr. Chevrier: I could not answer for those two departments.

Mr. Macdonnell (Greenwood): I understood the minister to answer me a while ago that his department did communications work for the other departments.

Mr. Chevrier: No; I said that we did meteorological service work for the other departments.

Mr. Macdonnell (Greenwood): That is right; I accept the correction. Does the minister say that he does not know whether there are any other teletype services between here and Washington?

Mr. Chevrier: Yes, that is the answer. There may be in external affairs and defence but I am not aware of them. I cannot answer for the other departments. In so far as our department is concerned, the service goes to the border only.

Mr. Macdonnell (Greenwood): When we are dealing with defence estimates we will know about transport, but how do we find out whether there is duplication or triplication?

Mr. Chevrier: Surely my hon. friend does not expect me to tell him whether he will find it in defence or external affairs. All I can be expected to give is what there is in this department.

Mr. Macdonnell (Greenwood): I would expect the minister to know whether he was operating a service that duplicated or triplicated other services. It seems to me that that would be a natural question to ask and I would be very much surprised if the officials did not know.

Mr. Smith (Calgary West): Whisper a bit to your right and find out.

Mr. Chevrier: I do not need to whisper. I am trying to do my best with this department and I do not think that is a fair remark to make. It is difficult enough to pass estimates and sometimes a minister gets impatient, rightly or wrongly, and I do not think that is a fair remark to make. I am informed that the teletype service we have is filled completely with messages concerning the weather and meteorological services. Therefore it would not have anything to do with messages from external affairs or national defence to places outside the country.

Mr. Macdonnell (Greenwood): I am grateful for that. I think we can quite clearly infer there probably are other services, and perhaps we will come to them later.

Item agreed to.

Radio division—

515. Radio direction finding stations, radio beacons and radio telegraph stations, operation and maintenance, $1,952,250.

Mr. Catherwood: Has the minister a record of how many radio beacons were in operation at the end of 1949, and can he also tell us how many will be in operation by the end of 1950?

Mr. Chevrier: Forty-seven radio beacon stations are covered by this vote.

Mr. Catherwood: Can the minister tell me the approximate cost of a radio beacon?

Mr. Chevrier: It is about $150,000.

Item agreed to.

Radio division—

516. Suppression of radio interferences, $354,885.

Mr. Smith (Calgary West): I hope the minister will not think I am rude, and that he will curb his impatience. I do not know whether I am on the right item. I want to ask about the collection of radio licence fees.

Mr. Chevrier: That is the next item.

Mr. Macdonnell (Greenwood): Will the minister say a word as to the activities involved in the suppression of radio interferences which involves this amount?

Mr. Chevrier: There are a number of employees stationed at headquarters of the radio division in Ottawa, and staffs are located in twenty-four cities across Canada. Over and above that, there are forty-six specially equipped radio patrol cars maintained for the investigation of interference. As a matter of fact there is a continual demand for investigation of interference in various towns, cities and communities, and that is done. The investigators, with their radio patrol cars, first interview those who have reported interference. They test the radio to ascertain whether there is anything radically wrong with it. Most of the time they discover it is because of an oil burner or some radioactive instrument, be it medical, dental or the like, and the person with the offending instrument is asked to discontinue its use or purchase some scientific device that will suppress the interference. On the whole I think a very helpful and satisfactory service is being performed.

Item agreed to.

Radio division—

517. Issue of radio receiving licences—(transport department only), $705,340.

Mr. Lennard: What is the reason for the increase of some $25,000?

Mr. Chevrier: The increase is $54,000.

Mr. Lennard: What is the reason for it?

Mr. Chevrier: The increase is, first, because of salaries, annual and basic salary rate increases.

Mr. Knowles: The increase is $30,000.

Mr. Chevrier: I am sorry, I was looking at item 516. The increase is $30,846.

Mr. Knowles: We just saved you $24,000.

Mr. Chevrier: Keep on assisting me and I will not object. It is made up of $29,000 for increases in salaries, $500 for postage, the rental of a tabulator, and an increase in commissions to postmasters of $578, which makes $30,846.

Mr. Lennard: Can the minister tell me what the revenue was from the licences issued?

Mr. Chevrier: The gross revenue from the sale of radio licences has been continually on the increase. For 1949-50 it is $5,143,000.

Mr. Lennard: What is the net? That is the gross.

Mr. Chevrier: That is the gross revenue from the sale of licences. Commissions paid amounted to $331,652. Therefore the amount paid to the C.B.C. is the addition of $5,143,000 and $331,000 making $5,474,000.

Mr. Smith (Calgary West): Does the minister know how many radio receiving sets in operating condition there are in Canada? I might as well explain what I have in mind. Have you any idea how many people are using receiving sets in Canada compared with the number of persons who pay licence fees for the use of sets?

Mr. Chevrier: I can only answer that question in this way. The number of those who are owners of radio receiving sets and who have paid their licences is 2,177,445. There is no way of knowing accurately the total

number of radio receiving sets, but by means of spot checks carried out from time to time in various cities we think that this number represents about 95 per cent of the total number of receiving sets in the country.

Mr. Smith (Calgary West): Have you not a better method than that? There are publications which tell you the number of receiving sets sold in Canada in 1949, 1948, and so on. They are available and I assume you have them. I was wondering how the number of persons from whom licence fees are collected has kept pace with the sale of new radios. Of course some of them will be replacements but have you any idea as to that? For example, the exact number for television is available at any time, but have you made any comparison between the number of radio licence fees sold in 1948 and 1949 and the number of new radios purchased?

Mr. Chevrier: We have not, for the reason that there may be as many as five radio sets in one house. The only thing the department is interested in is to see that the $2.50 licence fee is collected on one of those sets. That is the case today in many homes. I do not say there is an average of five, far from it; but I think it is pretty safe to say that in most homes there are two, if not three, small sets. I am also told that some of the sets become obsolescent and the owners break them up, throw them away or dispose of them by other means. For that reason it is difficult to make an accurate check of the full number of sets in the country. The way we get at it is by spot checks and percentages; and, as I said, we think the percentage is about 95.

Mr. Smith (Calgary West): Would you tell me what a spot check is?

Mr. Chevrier: It is a check that is made by an officer of this division who would go into a number of houses, I suppose—

Mr. Smith (Calgary West): Take a city of one hundred thousand people. How many houses would he cover?

Mr. Chevrier: They would take several streets and go into a number of houses, and by that method ascertain the percentage of those who had sets who were paying the licence fee. The result of those checks in various parts of the country would give the percentage I mentioned. I am informed now that fifty thousand homes were checked by this spot method.

Mr. Smith (Calgary West): Out of how many?

Mr. Chevrier: Well, all across the country.

[Mr. Chevrier.]

Mr. Smith (Calgary West): But out of what total number of receiving sets?

Mr. Chevrier: Out of a total of 2,100,000, I think it was.

Mr. Smith (Calgary West): And is that check more intense in certain areas than in others? Take a city the size of Toronto. How many men have you working there, and how many in Edmonton doing this sort of work?

Mr. Chevrier: There would be about ten people in Toronto, four people in Edmonton, I suppose about fifteen in Montreal—

Mr. Knowles: None in Calgary?

Mr. Chevrier: Twelve to fifteen in Calgary.

Mr. Smith (Calgary West): The minister should be grateful to the hon. member for Winnipeg North Centre for again helping him out. Knowing something of the situation, however, I assure the minister that he needs even more than that number, because I know many people who do not pay their licence fees. That is the thing I am getting at.

Mr. Knowles: They will be taking you on the staff.

Mr. Smith (Calgary West): I am not a good snooper; that is the trouble. When the minister said they entered houses I do not think he quite meant that. They make inquiries; that is the kind of check, I suppose?

Mr. Chevrier: Yes.

Mr. Smith (Calgary West): They have no right to enter houses.

Mr. Chevrier: No. If somebody objects they have no right to insist.

Mr. Smith (Calgary West): I was merely trying to correct your language, not mine. Have you not a car which you can drive around the streets and which will tell you in what residences there are radios?

Mr. Chevrier: Yes.

Mr. Smith (Calgary West): I suppose that is how you determine where to go to make your inquiries; or perhaps it is done by telephone?

Mr. Chevrier: That is right.

Mr. Smith (Calgary West): The minister says he thinks it is about 95 per cent perfect, as far as the payment of these licence fees is concerned. I wish I were an optimist like that; but that statement is on the basis of the spot checks of homes, apartments and so on?

Mr. Chevrier: Oh, yes. I made it quite clear that we could not have an accurate figure, and I told my hon. friend I could not possibly answer his question except in that way. It may not be the best method, but it is the one we follow as being most feasible.

Mr. Smith (Calgary West): I am not complaining about it. The department gets a list of sales of radios every month, does it not? Does anyone in your organization make a check and follow those radios to their ultimate resting places in the homes?

Mr. Chevrier: The dealers are required to make monthly returns to the department.

Mr. Smith (Calgary West): Does the department use those returns in calling upon people who have made purchases, to find out whether or not they have paid the licence fee, or does it rely only upon the spot checks?

Mr. Chevrier: I am told that it relies on both.

Mr. Smith (Calgary West): Do you compare the sales in a city the size of Edmonton, for example, with the number of licences issued? Do they bear any relationship?

Mr. Chevrier: I am told there is no relationship between the two.

Mr. Charlton: A few moments ago the minister said $5,143,000 had been collected in radio licence fees. Then he was asked what the net amount was, and he said $331,000 was commission on those radio licences. Then he made the statement that the C.B.C. was paid $5,474,000.

Mr. Chevrier: That is right.

Mr. Charlton: Then do we pay those commissions twice?

Mr. Chevrier: No, we pay them once.

Mr. Charlton: Does not the man who sells the licence get a commission?

Mr. Chevrier: Yes, he does. That is covered in the vote.

Mr. Hansell: If I may follow up that question, it would appear to me that the commission is paid twice.

Mr. Charlton: If what the minister has stated is so, it seems to me the commissions on these radio licences are paid twice. They are paid once to the salesmen and once to the C.B.C.

Mr. Chevrier: The C.B.C. gets the full fee of $2.50, which makes up the amount of $5,400,000 I gave a moment ago.

Mr. Charlton: The minister said the C.B.C. was paid $5,474,000. That is the total of the fees collected and the commissions paid, is it not?

Mr. Chevrier: No; the C.B.C. gets $5,400,000, which is made up of $5,100,000 from the sale of licences and $331,000 in commissions. That has to be done by virtue of an amendment to the Canadian Broadcasting Act passed on July 17, 1947, under which the amount of commissions paid to issuers of licences and formerly deducted from the gross revenues payable to the C.B.C. now is paid out of the consolidated revenue fund.

Mr. Charlton: How many radio licences were sold?

Mr. Chevrier: 2,177,000.

Mr. Charlton: What was the total amount collected?

Mr. Chevrier: $5,143,000.

Mr. Charlton: Then by paying the C.B.C. $5,143,000 they are getting the full amount of the licence fee collected?

Mr. Chevrier: That is right.

Mr. Charlton: Without paying the commission of $331,000?

Mr. Chevrier: That is right.

Mr. Charlton: But the minister says the C.B.C. gets $5,400,000?

Mr. Chevrier: Yes, they do; they get both.

Mr. Hansell: On page 307 we have the explanatory note showing an amount of $375,000 as payment to the C.B.C. of the amount of commissions allowed issuers of licences. Is that part of the total of the $2.50 licence fees paid in Canada, or is it over and above that?

Mr. Chevrier: Yes, it is. It is the full amount of the commissions.

Mr. Hansell: I know this is the full amount of the commissions; but is the C.B.C. paid the full $2.50 for all the licences in Canada, plus $375,000?

Mr. Cardiff: May I ask this question?

Mr. Hansell: I want the answer to my question first.

The Deputy Chairman: Perhaps while the minister is getting the answer to that question I could advise the member for Saskatoon to ask his question.

Mr. Knight: I wanted to follow for a moment the line of thought the member for Calgary West embarked upon concerning radios which are newly purchased. I presume each radio which is imported from the United States is a subject for notification by the department of government concerned to the licensing branch of the Department of Transport. Is that correct?

Mr. Chevrier: I am informed that returns are made from the customs office to the Department of Transport.

Mr. Knight: I thought the Department of Transport was efficient in that direction, because when passing through the United States on my way home last summer I bought a car radio. As soon as I reached home I bought a licence for it from the transport division in my own city. Along about the time the snow fell last fall, I received a rather sharp letter from the department asking for some explanation of why I had not purchased a licence for imported radio No. so and so.

Mr. Knowles: You call that efficiency?

Mr. Knight: Just a minute. The letter said: If by any chance you have paid your licence for this thing, what is the number of your licence? I instituted a search in my home, and after a couple of days we found the receipt from the Department of Transport. I wrote a little note stating that I thought perhaps an explanation was due to me, and I gave them the number. I want to know what would have happened if I had been unable to find that particular receipt. The minister has not heard anything I have said.

Mr. Chevrier: I am trying to get an answer for the member for Macleod. I hope I have it now. The licensee pays $2.50 to the Department of Transport for a licence. We pay the full amount of the $2.50 to the C.B.C., which amounts to $5,474,707—I think that is the figure I gave. The vendor commissions amount to $331,000, the amount I gave.

Mr. Knowles: Is not the confusion created by the way it is worded on page 307, where it says that this payment is made to the C.B.C., the amount of commissions allowed issuers of licences? What is the amount on each individual $2.50 licence?

Mr. Chevrier: There is $2.30 paid to the department, and 20 cents paid to the vendor.

Mr. Knowles: In other words the C.B.C. gets $2.30 direct from the citizen, plus the 20 cents that is paid out of the $375,000 in this item?

Mr. Chevrier: I have nothing more to add to what I said a moment ago. I am trying to say that the C.B.C. gets $5,474,000. My hon. friend is putting it in another form, and he may be correct; I am not sure.

Mr. Smith (Calgary West): They get the full $2.50 and the department takes up the cost of sale.

Mr. Chevrier: That is right.

Mr. Knight: Could I have an answer to my question? I know the minister was not listening, and I advised against the consideration of it while he was working out the other problem. If I bring a car radio into this country from the United States, notification of that importation is given to your department. I then proceed to buy a licence. Your department notifies me that I should buy a licence; that is what happened to me the last time; and if I had not been able to find my receipt to prove that I had bought that particular licence, what action could or would your department have taken? What protection have I?

Mr. Smith (Calgary West): Habeas corpus.

Mr. Knight: I become responsible for the mistake made by the department?

Mr. Chevrier: No, you become responsible for your own mistake—

Mr. Knight: Which was losing the receipt?

Mr. Chevrier: No, because the department keeps a duplicate copy of the receipt which was originally given, and the department will not proceed against the owner unless there is a breach of the act.

Mr. Knight: In that case, the next question is the obvious one: If the department had a receipt in the month of May, just after I got home from the session, why did they bill me for the licence in the month of November?

Mr. Chevrier: I presume my hon. friend has a particular case in mind.

Mr. Knight: Yes, my own.

Mr. Chevrier: I am afraid I cannot tell the hon. member why the department billed him. Probably they were in error; I do not know but that is possible.

Mr. Knight: When the department wrote to me and asked for an explanation, I wrote to them and told them the number of the licence and said I thought probably an explanation was due to me. It was not forthcoming. No attention was paid to my letter, so I thought I would get the explanation from the minister.

Mr. Smith (Calgary West): There is nothing like trying.

Mr. Black (Cumberland): Could the minister tell me how many prosecutions there have been and what penalties have been imposed? What has been the total amount collected?

Mr. Chevrier: There have been 9,524 prosecutions.

Mr. Black (Cumberland): Does the minister have the information by provinces?

Mr. Chevrier: Yes; British Columbia, 375; Alberta, 547; Ontario, 5,511; Quebec, 865; Nova Scotia, 795; New Brunswick, 195; P.E.I., 240.

Mr. Black (Cumberland): What has been the cost to the department for these prosecutions?

Mr. Chevrier: The issue of licences and the collection of fees came to $306,000 for the term 1949-50.

Mr. Hansell: The total amount of this vote appears to be $705,340. This is for the radio division, the issuing and collecting of licence fees. Are we to conclude that it cost $705,000 to issue and collect $5,143,000?

Mr. Chevrier: No; as I indicated at the outset, this appropriation of $705,340 provides for salaries and other expenditures to the headquarters staff of the office here in Ottawa. The amount payable for the collection of licences is only a small portion of this vote. It is much less than half.

Mr. Hansell: I was referring to the issuing and the collecting of licences.

Mr. Chevrier: Well, it covers headquarters staff and field offices engaged in the issuing of radio receiving licences. If there were no licences there would be no vote.

Mr. Lennard: That is right; in other words, it does cost over $700,000 to collect these fees, because there would be neither office nor headquarters staff if we were not collecting radio licence fees.

Mr. Chevrier: The answer is yes and no. It does cost $705,000 to administer the branch, but to collect the licences, alone, it does not cost that much.

Mr. Lennard: It costs about 14 per cent, roughly, to collect them?

Mr. Chevrier: We worked it out last year at 12 per cent.

Mr. Lennard: It is a little more this year, so it would be probably 13 per cent.

Mr. Chevrier: And there is a little more revenue, too.

Mr. Fraser: Would the minister give us the number of licences issued for automobiles and trucks? I am referring of course to licences for radios in those vehicles. Are they kept separate, or is there any separation in that respect?

Mr. Chevrier: I think we can get that figure for the hon. member.

Mr. Fraser: And, while you are getting it, may I ask what arrangements you have with the post office department in paying commissions to them for the collection of fees. Is that paid in bulk, or is it paid separately?

Mr. Chevrier: It is 15 cents for one licence, instead of the 20 cents to the ordinary vendor.

Mr. Fraser: And is it paid in bulk or sent separately to the different post offices across Canada.

Mr. Chevrier: Many of the post offices get books in advance. They return them, with the ordinary returns, to the post office; and there is a refund in that manner.

Mr. Fraser: Then the main Post Office Department here handles the whole thing for you; is that correct?

Mr. Chevrier: Only the staff post offices do that.

Mr. Fraser: And the other post offices receive them direct?

Mr. Chevrier: Yes.

Mr. Fraser: What about the car licences?

Mr. Chevrier: Could we carry this item, and permit me to give that information as we go along?

Mr. Brooks: In collecting these licences the Post Office Department does some of the work, and there are returned soldiers and others who make collections. Very often there is a time limit imposed in respect of the date at which the licences should be obtained. However, a good many people wait until the returned soldier or some other person, who has been in the habit of making the collection, comes around. Many people do not know whether to go to the post office or whether they could wait for the returned soldier. Is there any co-operation between the two, or are any instructions sent out in that connection?

Mr. Chevrier: There is the advice that goes out over the radio prior to the first of April. People who have radios will learn that licences are due in that way, because the notice is broadcast many times as the hon. member probably knows. These broadcasts indicate when licence fees are payable. It is at that time that the returned man who is a vendor begins his canvass. However, if the ordinary licensee wishes to purchase at the post office, I suppose there is nothing to stop him doing so.

Mr. Brooks: But is any encouragement given to the returned man? It is a personal matter with me, because I might say my wife always wishes to purchase from a returned soldier, but he does not get around until after the time has expired.

Mr. Chevrier: The encouragement given is that he gets 10 cents more than the post office gets.

Mr. Harkness: I always receive a brown card about so long and so wide telling me that my radio licence fee is due. Are those sent to everybody, or only to people in arrears?

Mr. Chevrier: I am informed they are sent to everyone who had a licence in the previous year.

Mr. Harkness: How much does that cost,—because it seems to me that if canvassers are going around to sell these licences it is a waste of money to send out these cards to those who had licences in the year before.

Mr. Chevrier: The card has been very effective, and that is why we use it. It helps very materially in increasing the revenue, because, as the committee will see, the revenue has been increasing considerably from these sales. I cannot give the cost separately, but it is covered in this amount of $705,340.

Mr. McLure: In listening to all these figures I have become confused about these radio licences. As I have it now there were two million and one licences sold.

Mr. Knowles: I believe the figure was 2,100,000.

Mr. McLure: Oh, it was 2,100,000 was it? At $2.50 that gives something over $5 million, and yet the C.B.C. got $5,474,000.

Mr. Chevrier: There are a number of battery sets for which the fee is only $2.

Item agreed to.

Radio division—

518. Telegraph and telephone service, administration, operation and maintenance, $1,354,845.

Mr. Smith (Calgary West): Why is this item, which deals with telegraph and telephone service, in the radio division estimates? Is it out of place?

Mr. Chevrier: I think not, because it is a form of telecommunication. In the department we find radio, telephone, telegraph—

Mr. Macdonnell (Greenwood): Any teletype in there?

Mr. Chevrier: If I am wise, the answer is no. That is the only explanation I can give. It is a form of telecommunication.

Mr. Smith (Calgary West): In other words, it has nothing to do with radio?

Mr. Chevrier: No.

Mr. Smith (Calgary West): Although it is under that heading.

Mr. Chevrier: That is right.

[Mr. Brooks.]

Mr. Harkness: What are those telephones and telegraphs? From where do they run?

Mr. Chevrier: They run throughout the country. They are services for isolated areas which could not provide telephone services for themselves unless some company were assisted. So to come to the assistance of points in the eastern part of Canada, Newfoundland, the maritimes and out on the west coast and on the Gaspe peninsula we provide the services and we operate them. The Minister of Public Works says, "also in British Columbia".

Mr. Harkness: Does the department get any revenue?

Mr. Chevrier: Oh, yes.

Mr. Harkness: Where does it appear?

Mr. Knowles: It goes into the pot.

Mr. Abbott: Study the public accounts and you will know the answer; do your homework and you will find out.

Mr. Chevrier: The expenditure for the last fiscal year was $1,130,000; the revenue was $498,000.

Mr. Harkness: The total figure here for last year is $1,331,000. The minister gave the figure of $1,130,000.

Mr. Chevrier: Yes, I gave the expenditure for the last fiscal year. That is the estimate for this fiscal year. The hon. member asked me what amount of revenue was received. I say that last year the revenue received amounted to $498,000. I cannot tell what it will be this year because I will not know until the end of the fiscal year, but the estimate is about $500,000.

Mr. Harkness: The estimate last year was $1,331,060 and the expenditure was $1,130,000. The department spent the sum of $200,000 less than the amount estimated for.

Mr. Chevrier: I am informed the reason is that we were unable to secure all the material and equipment which were necessary to put up the lines and the extensions.

Mr. Harkness: Where is the other $200,000? Did it go back into the consolidated revenue fund, or does it show in these accounts?

Mr. Chevrier: Any revenue that is received is paid into the consolidated revenue fund.

Mr. Harkness: It just remains there. But where does it show in these accounts? I do not see where the unexpended $200,000 appears.

Mr. Chevrier: Of course, these are not accounts; they are estimates of expenditure for the next fiscal year.

Mr. Harkness: However, quite frequently in some of these departments I see an unexpended appropriation not required. For instance, veterans affairs on the very next page, shows: "Appropriation not required for 1950-51, $10,000." You see the same thing right through the estimates. Why was not the $200,000 which was not required last year shown in the same way?

Mr. Chevrier: That is known as a revote and appears from time to time in the estimates. We have had several of them in these estimates.

Mr. Harkness: This particular item of $200,000 is the one I am asking about. Why does it not appear as an appropriation not required in 1949-50?

Mr. Dickey: There is an item under radio division which reads: "Appropriation not required for 1950-51, $350,000."

Mr. Harkness: I did not notice it before. Is the $200,000 part of that?

Mr. Chevrier: Where is that $350,000?

Mr. Harkness: Right at the bottom of the page.

Mr. Knowles: That was last year.

Mr. Chevrier: What page are you reading from?

Mr. Harkness: Page 63. It appears in italics at the bottom of the page.

Mr. Chevrier: If my hon. friend is referring to item 519, that is for construction and improvements.

Mr. Fulton: No; just below that. It appears in italics, "Appropriation not required."

Mr. Abbott: That is just for the purpose of comparison.

Mr. Chevrier: I am informed that this was to cover projects that we were not able to carry out, projects which because of the time element it was not possible to complete, and some which were overestimated.

Mr. Harkness: I presume the revenue of $498,000 was put into the consolidated revenue fund.

Mr. Chevrier: Yes.

Mr. Harkness: You get no credit in your estimate for that.

Mr. Chevrier: No, none whatever.

Mr. Fraser: This afternoon the minister said that his department covered all telephones outside Ottawa; that is correct?

Mr. Chevrier: That is correct.

Mr. Fraser: That is, in public buildings throughout, outside Ottawa?

Mr. Chevrier: No; this vote covers services, communication services to remote areas, sparsely settled sections of the country. This does not cover the cost of telephone bills; it is for service, telephone lines which are extended or constructed in remote areas, and would have nothing to do with the cost of government telephones to Vancouver or Edmonton. They are covered separately.

Mr. Lennard: Can the minister explain the increase in this item for telephones, telegrams and postage from $14,600 to $126,500?

Mr. Chevrier: Under the public works system of accounting, this amount was provided for under the rentals primary to cover the payment of charges levied by commercial communication companies for detachment, maintenance and attendance of departmental telephone and telegraph facilities. The amount of $100,000 is involved between Prince George and Prince Rupert, which is paid to the Canadian National Telephone Company; and the remainder is accounted for by a large number of small cases of a similar nature across Canada, which makes up the $111,900.

Mr. Lennard: It is a capital expenditure. It will not occur in another year. It is for work that is being done.

Mr. Chevrier: No; I am told it is a recurring vote.

Mr. Gibson: I do not want to load the Minister of Transport with all the difficulties in the government telegraph service, because after all he has been doing that job only recently. It always seems to me that the government telegraph service has been one of the orphans of the department, that we have had in Ottawa. I have been wondering whether any active objective thinking has been done about the future of the government telephone service. It has often seemed to me that these land lines that we run into the government telephone service have reached a stage where they are now pretty well obsolete. I have been wondering whether the minister or his department had given any consideration to the substitution of radio telephones for those old galvanized wire lines that we run through some of the rougher sections of Canada, which I know are very expensive and very difficult to maintain.

There is another point that comes to my mind. I go into towns and I find that they are well serviced with Canadian National, Canadian Pacific and the government telegraph services. This government telegraph service was founded for the purpose of serving communities that had no other means of communication. I was wondering whether there was any possibility of eliminating any of the

offices and probably substituting radio telephone service in areas where it is necessary for the government to provide communication. It would not be necessary to have this service operated by the government telegraph operators as I believe a considerable amount of money could be saved by subsidizing private radio stations who would serve the public when necessary. I believe there is a great opportunity to save money here. I know the minister cannot look after all these things himself but perhaps he will instruct his officers to go to work on this matter of government telegraph services and see if a more efficient service cannot be substituted for it.

Mr. Chevrier: It is true that in some of the outlying districts the service is not what it should be, but it is far better to have a poor service than to have no service at all. I had a visit some two weeks ago from a gentleman from Labrador and he told me that the service there was terrific. That service covers 800 miles along the north shores of the St. Lawrence river and gulf and there is a reason for the type of service that is given. On the other hand, the service along the northwest staging route and the Alaska highway is a pretty efficient service. I have seen it in operation and it is modern and up to date.

We would like to see private or municipal corporations take over these services as we do not like to operate them at all. We do this as a service to the public. Where the population is not very dense we do not like to expend too much money, but following the suggestion of the hon. member for Comox-Alberni it may be possible to give consideration to providing a uniform method which would be up to date and more modern.

Mr. Gibson: There is another matter which does not come under this item specifically and I ask the indulgence of the house in taking it up at this time. In the Quatsino district the minister's department chartered a boat from a certain individual at the rate of $4 per day and promised to pay that rate until it was returned. However, it seems that the man in charge of the boat got up one night and was looking around with a match and it blew up. It was a most unfortunate circumstance. The minister's department consulted the Department of Justice who said that there was no legal responsibility. That may be true in the strict legal sense, but the treasury board is now considering a submission from the department. I would be grateful if the minister would take a personal look at this to see if some fair settlement cannot be made.

Mr. Chevrier: I shall be glad to do that.

Item agreed to.

[Mr. Gibson.]

Radio division—

519. Telegraph and telephone service—construction and improvements, $460,785.

Mr. Fulton: Could the minister tell us what standards are laid down in connection with the construction or improvement of a service? Is it based on the density of population? In other words, when a request is received from a sparsely populated area for a service is any standard laid down similar to those that exist in the Post Office Department in connection with rural mail routes?

Mr. Chevrier: There is no standard based on the density of population. It is a question of serving the area and also the fact that private companies refuse to service the people. I know of instances where a service has been extended to serve half a dozen people, but it tied in with a circuit already in existence.

Mr. Fulton: Each application is considered on its own merits.

Mr. Chevrier: That is right.

Mr. Harkness: Where are these lines going to be constructed this year, or does this vote cover only improvements?

Mr. Chevrier: There is quite a list of them. Completion and rehabilitation of 323 miles of telephone lines in the rural areas around Dawson Creek and the modernization and expansion of the telephone system in the town itself. Magdalen islands—establishment of a radio telephone link between the islands and the mainland. Cape Breton, Nova Scotia —metalizing of existing telephone lines in order to improve the service of subscribers.

South shore, St. Lawrence river—Bonaventure, Dorchester, Gaspe and other points, improvement of routes, provision of federal assistance in the repair of existing telephone lines and in the construction of new lines in the area.

Item agreed to.

Terminable services—

Railway service—

520. Acquisition of properties in Canada for U.S. authorities, $17,750.

Mr. Knowles: Will the minister explain this item?

Mr. Chevrier: These were properties which were acquired during the war from the United States government, turned over to war assets and given by war assets to the Department of Transport for operation. The Department of Transport is trying to sell and dispose of them as quickly as we can, and this item is to pay for rentals, taxes and so on.

Item agreed to.

Railway service—

521. Steep Rock mines—construction, $62,000.

Mr. Knowles: I should like to deal with this and the following item together.

The Deputy Chairman: Is it the wish of the committee to deal with these two items together?

Some hon. Members: Agreed.

Mr. Knowles: For the last two or three sessions when these items were called I confined myself to asking questions, so as to get what information I could about Steep Rock. In addition I have had some questions on the order paper this year and a notice of motion for the production of papers as a result of which I have been able to get a fairly complete picture of this whole matter.

At the outset let me say that I recognize the urgency that obtained in the middle war years with respect to the production of iron ore and making as much of it available as possible, but it does seem to me that the practice which was instituted then has been carried forward a lot longer than it should have been.

When the figures are added together we are paying quite a bit to subsidize and assist this private corporation. I point out further that what we are assisting Steep Rock Iron Mines Limited to do is not only to mine ore in that very interesting body which was found at the bottom of Steep Rock lake but also to transport it to another country for smelting and fabrication. It raises the whole question whether we should not be using the iron ore in Canada rather than sending it to the United States and then buying it back, thus paying out good money in that way when we might be building up more industry in Canada.

As I understand the situation, an agreement was made involving the government, Canadian National Railways and in effect Steep Rock Iron Mines Limited, a private company which I believe is owned in the United States. The basic terms of the agreement are that in the first place the government would pay to the Canadian National Railways all the money required by them to build a spur line and certain other facilities from Atikokan, Ontario, to the Steep Rock mines. It is a short distance but at any rate considerable facilities had to be built there. In addition, Canadian National was to build a dock at Port Arthur so that the ore could be removed from the cars that brought it to Port Arthur from Atikokan and put on boats to take it across the lakes to the United States. As I say, the first term in this whole arrangement was that the government would pay the entire cost of constructing the facilities at Atikokan and Port Arthur.

It is noted that one of the other terms of the agreement is to the effect that the Canadian National Railways pays back to the government 6 cents on each ton of ore that it transports, for the purpose of repaying the capital expenditures. I note immediately that to date well over $3 million has been spent by the government in construction expenditures and under the 6 cent per ton arrangement we have received from the Canadian National Railways only $239,000. Even at that, when one thinks of money that we are receiving from the Canadian National Railways one has to face the fact that the railway operates at a deficit, and therefore we are paying the money anyway. In the long run the picture is clear that we are paying in full for the extra facilities necessary between Atikokan and Steep Rock and at Port Arthur to make possible the shipment of iron ore from Steep Rock to the United States.

Another phase of the agreement related to the cost of shipping the ore from Steep Rock to the United States. During the war Canadian National indicated that it would cost a certain figure per ton to ship the ore. It was more than the company felt they could afford to pay and accordingly, because it was necessary to move the ore while the war was on, the government agreed to pay Canadian National Railways a subsidy of 20 cents per ton. When I have asked these questions of the minister it has always been pointed out that the money was not paid to Steep Rock Iron Mines Limited but to Canadian National Railways. Obviously it is as broad as it is long. By paying the 20 cents per ton to the Canadian National Railways out of government funds the government saves Steep Rock Iron Mines Limited that amount.

In addition, during the first year or so of the production of iron ore at Steep Rock, during the war when it was thoroughly defensible, it so happened that it was not possible to get the dock completed at Port Arthur, and other means had to be used to ship the ore to the United States. Instead of going to Port Arthur it went through Duluth, which meant that the freight was higher than it would have been going across the lake. Instead of the government having to put up 20 cents per ton to subsidize the freight the agreement indicates that the government put up 70 cents per ton. When one reads the agreement more closely, however, he finds that even the 70 cents per ton did not fully make up for the difference between what it cost to transport the ore and what Steep Rock Iron Mines Limited was paying. There was another 38 cents, and the agreement simply says that Canadian National Railways agreed to absorb that amount. I come back again to the fact that the Canadian National has a deficit and we pay for it out of the consolidated revenue fund. Therefore we paid out of public funds a total amount of $1.08 per ton during the first year or two.

I want to say again, and let there be no doubt about it, that one has no complaint about that practice being followed during the war years. The reason for it was set out clearly in the orders in council initiating this policy. We discussed it at the time and agreed with it. As a matter of fact it is good to know that tremendous body of iron ore was found at the bottom of Steep Rock lake. It is a most interesting mining operation. As hon. members probably know, the lake was drained, and for the most part the mining consists of huge electric shovels simply removing the overburden and then scooping up the ore body from the bottom of the lake. As I say, during the war it was obviously desirable that there should be these subsidies to make sure that the ore would be produced and made available for war purposes, but it is still being carried on.

Every year since the war there has been a vote for construction purposes and also a vote for the subsidy on freight. We are now paying a subsidy of only 20 cents per ton, and the amounts for construction that we are continuing to pay are small, but surely it is clear that what we are now doing is to render considerable financial assistance to a private corporation mining a very valuable natural resource and shipping it in its raw state out of the country for smelting and fabrication in the United States. It seems to me that the policy is all wrong, that if we are going to allow a private corporation to exploit this natural resource and ship it to the United States they at least should pay the whole cost of shipping it there, and we should not have to continue to pay the 20 cent subsidy. If they cannot do it that way then I suggest that here is an excellent opportunity for the development of another industry in this country.

I said earlier that one of the ways in which I was able to get the information which I have been giving the house was by means of questions and so on on the order paper. I ask hon. members to note in particular the answers found in sessional paper No. 171. That return was tabled in this house on Monday, April 24 of this year, and gives detailed answers to the questions I had placed on the order paper. One answer in considerable detail gives the actual amounts spent under the heading of construction expenditures right from the first year, 1944, down to the latest figure for 1950. I have added them up, and they total $3,168,142.13. We have paid that entire amount out of the consolidated revenue fund, and tonight we are asked to vote another $62,000 for construction purposes.

I have already said that there was in the agreement a provision whereby the Canadian National Railways pays back to the consolidated revenue fund at the rate of 6 cents per ton on the ore it transports, but in the end the Canadian National gets that money from the consolidated revenue fund anyway. In addition to that $3,168,142.13 we have spent under this heading already, we have spent another considerable amount of money in subsidizing freight rates with respect to the shipment of that ore. The minister pointed out to me last year that we pay that money to the Canadian National; but we save it for Steep Rock Iron Mines Limited. During the time the subsidy was 70 cents per ton, which was during the years 1944-45 and 1945-46, we paid a total of $258,802.86. That, of course, did not include the 38 cents per ton absorbed by the Canadian National, which we had to pay, and which would amount to another $125,000 or $130,000. In addition to that $258,802.86, we have paid a subsidy since then at the rate of 20 cents per ton, to a total of $796,991.24.

If those two larger amounts are added they come to $1,055,794.10, and in a few moments we will be asked to authorize another amount of $129,066. Just to put those figures in round numbers, they add up to this; that we have paid out $3 million in construction expenditures and over $1 million in subsidizing the shipment of this natural resource out of the country. I have made it pretty clear already, but I should like to make it crystal clear that we had no objection to this being done during the war. But the war has been over for five years, and it does seem to me it is hard to explain a policy under which we keep on subsidizing a private corporation and assist it not only to exploit a raw material in this country but to ship it out of the country at the expense of the people of Canada.

The Deputy Chairman: Shall the item carry? Carried.

Mr. Knowles: Has the minister no comment to make on this Steep Rock question?

The Deputy Chairman: Apparently not.

Mr. Fulton: I was expecting the minister to say something; otherwise I would have asked a question.

Mr. Knowles: Then may I ask a question. What is this $62,000 for construction purposes to be spent on?

Mr. Chevrier: The $62,000 is for the construction of 3,000 feet of trackage in the hill yard, required to handle possible increased production from the mine to cost $37,000; for strengthening the ore dock pockets with special lining for handling lump ore, $10,000; the purchase of land, $2,000; engineering

expense and surveys and development of plans for additional trackage facilities, $10,000.

Mr. Knowles: That is exactly the point I am trying to make. This sort of thing was defensible from 1942 to 1945, but is it defensible today to keep on spending money in this way, on facilities which are used for one purpose only? No one else uses that spur at Atikokan. Nobody else uses that ore dock at Port Arthur. It is this corporation we are helping by this item.

Mr. Chevrier: The point is quite simple. There are only two matters concerned here, and I do not believe the points made by my hon. friend are well taken. Referring to the subsidy in the first place, that was covered by an agreement during the war years under which the subsidy would be paid until such time as five million tons had been delivered. When the five million tons have been delivered the subsidy will cease. Thus far 4,354,000 tons have been delivered, so the subsidy will not have long to run. That is being done by virtue of an agreement, and I am sure the house would want that agreement to be carried out.

With reference to the acquisition of equipment, that too is covered by an order in council to which my hon. friend has referred. It is a fact that some $3,200,000 has been made available to the Canadian National Railways, which has benefited by it; but by virtue of that agreement the Canadian National have undertaken to pay back that amount by way of amortization, at the rate of 6 cents per ton. It is true that this may take some time, but the agreement is there and the government has safeguarded its interests in the money expended by the six-cent provision.

This was done at a time when ore was necessary, in a time of war. The bargain was well received in the house; in fact I can remember the speeches made by the former member for Davenport, who felt that the government was not going far enough in its expenditures in order to assist the movement of that ore from Atikokan and Port Arthur.

Mr. Green: If the minister will permit me, I think what the former member for Davenport was supporting was the devolpment of an iron mine in Canada. That was his plea.

Mr. Chevrier: Yes; and he was insisting—

Mr. Green: It was not a case of urging that it be all shipped out.

Mr. Chevrier: I am not saying that. He was urging that we were not going far enough in the matter of expenditures. There was no question about that. On one or two occasions he felt that we should go further in assisting the development of the mine by way of capital expenditures. This money does not go to a foreign corporation; it goes to our own Canadian National Railways. There is nothing abnormal about it. We are bound to do this by reason of contracts entered into during the war years. As I say, the subsidy is about ended, and as far as the other expenditures are concerned we will receive our money by way of amortization.

Mr. Knowles: I recognize that the subsidy will end when five million tons have been shipped, but the Canadian National will have to continue to pay back the 6 cents per ton on the construction costs, even though it will not be getting that subsidy any more. When we realize that those construction costs amount to more than $3 million and that to date the Canadian National have paid only $239,000, it is apparent that the Canadian National will be paying that 6 cents per ton for a very long time. As far as we are concerned it is just taking it out of one pocket and putting it into another. We will pay the Canadian National deficit so they can pay this 6 cents per ton and pay back the cost of the construction work. Now, the minister talks about the way in which the whole business was conducted during the war years, but many of the contracts made during the war were renegotiated. We had some talk about that this afternoon. It seems to me that what we should have done long ago, was to recommend that the capital expenditure be considered a war expenditure and written off as such. We are not under any moral obligation, once the war is over and the emergency power act is no longer in effect, to continue subsidizing in the way we are.

Mr. Fulton: Can the minister say whether there is any power in the contract to insist that the ships in which the ore is carried from Port Arthur across the lakes be Canadian ships? If so, are there any Canadian ships to carry it?

Mr. Chevrier: No, we have not the right to insist that it be carried in Canadian ships. There are Canadian ships for the carriage of the ore.

Mr. Fulton: Does the minister know whether it is actually being carried in Canadian ships now?

Mr. Chevrier: I am not able to give that information.

Mr. Fulton: I suggest he look into that, and even if it is not in the contract, surely we are in a position to bring some moral pressure to bear in order to ensure that we

at least get that much out of it, that the ore be carried in Canadian bottoms across the lakes.

Mr. Chevrier: I shall look into it.

Mr. Green: Why cannot this ore be used in Canada instead of shipping it to the United States? This is a promising mine, and production is increasing all the time.

Mr. Chevrier: I gave the explanation for that last year, and it is as follows: Approximately 92 per cent of the ore is exported to the United States, and the balance is used by Canadian companies. The reason why it cannot be used here is as follows: The production of various types of steel requires ores of varying analyses, and it is believed that Canadian steel producers are using all of the domestic ores which their type of steel production will allow. The production of malleable pig iron at Port Colborne is being increased, and this is expected to increase the consumption of Steep Rock ore by about 35,000 tons. The ore imported from the United States is a type not produced by Steep Rock mines, or not produced in sufficient quantities to meet Canadian requirements.

Mr. Green: How much is being exported to the United States?

Mr. Chevrier: I said 92 per cent.

Mr. Green: No, in tonnage, what is the tonnage being exported to the United States?

Mr. Chevrier: The last estimate I have is 1,132,000 tons in 1949-50, so there would be 92 per cent of that. It has been increasing from the beginning, because in 1945-46 there were only 128,000 tons.

Item agreed to.

Board of Transport Commissioners for Canada—

524. Board of Transport Commissioners for Canada—administration, maintenance and operation, $624,800.

Mr. Chevrier: This item refers to the board of transport commissioners, and I think it should stand.

Item stands.

Canadian maritime commission—

525. Administration, $190,170.

Mr. Green: This is the administration item for the Canadian maritime commission which body, as members know, was set up to advise the government on shipping and shipbuilding policy. In fact, they have charge of the shipping and shipbuilding of Canada. I have no intention of going into this policy in detail this evening, but there are three questions I should like to place before the minister.

The first one has to do with the need for Canada to build fast, modern cargo vessels. The other day when the minister was speaking of the ship construction that is being undertaken in Canada, I believe he gave the figure of $67 million over the next five years for construction for the government. At that time I asked him whether any of these fast cargo vessels were being built in any of the shipyards in Canada. His answer was no. I submit, Mr. Chairman, that that situation is very serious for Canada. It is a tragedy that we have not yet begun to build these fast cargo vessels.

I should like to refer to the report of the Canadian maritime commission, which is dated June 30 of last year. This was the report which summed up the history of shipping and shipbuilding in Canada, and made detailed recommendations as to what policy should be adopted. Throughout the report we find references to the need for fast cargo vessels; that was one of the main recommendations. In effect, the commission found that Canada must build fast cargo vessels if there was to be a Canadian merchant marine. For example, on page 20 we find this statement:

> For the second time in twenty-seven years a Canadian government was faced with the problem of what to do with a large number of merchant ships acquired through the exigencies of war.

The report is there referring to the position after the recent world war.

Then it goes on:

> The ships were of standard types designed to meet a wartime emergency. Their high fuel consumption, slow speed, and lack of refrigerated space unfitted them to hold their own against fast, modern, more economical cargo-liners which shortly after the war began to appear in British and foreign merchant fleets. It was obvious that, once the world-wide shortage of shipping had been overcome, the ships would not be able to compete with more efficient foreign vessels.

Then the report continues as follows:

> Undoubtedly, the proper course was to replace the ships, and to that end, on the advice of the commission, the government evolved a replacement which is outlined later in this report.

At pages 32 and 33, we find this statement:

> During the past year we have investigated the characteristics of Canadian ships employed in our shipping services, and have come to the conclusion that for many trades the standard war-built types now in operation are becoming inadequate. British and foreign cargo ships of post-war design are on the average one-third faster, are equipped with more efficient cargo handling gear, and are more economical to operate.

Then on the following page, this appears:

> However, aside from the special requirements of individual shipowners, we believe that the type of

vessel most suitable for employment in our trade should have a service speed of at least 14½ knots and a capacity of 7,500 to 10,000 deadweight tons. It should be designed for the carriage of deck cargoes and have a reasonable amount of refrigerated space.

Of course, that is not the type of ship that was built during the war.

Mr. Stick: Is that a cruising speed or a surface speed?

Mr. Green: It says a "service" speed of 14½ knots, but that may be a misprint.

On page 51, the report states:

We believe, however, that with the advantage of trade routes developed during and since the war and under normal conditions the Canadian shipping industry has a reasonable opportunity of continuing in existence with a comparatively small well-balanced fleet composed of modern fast ships suitable for the trades in which they are employed.

The findings of the commission are on this point absolutely clear; I do not think they can be contradicted. The government announced a plan for the building of these faster vessels. It was, in effect, that as companies sold the wartime ships, the proceeds of the sales must be put into a fund, to be held in escrow by the Canadian maritime commission, and which could be used only to build fast vessels.

That is one reason I was much surprised to learn the other day that there is not one fast vessel being built in Canada today, and we have not one in our merchant navy. Last December the Prime Minister announced that our shipping policy was to transfer all our ships to other registries, having in mind I believe Great Britain, with the exception of 40 ships. We were to keep 40 ships under Canadian registry, and there was to be a subsidy of $3 million available to support these 40 ships. It will be noticed that two items farther down in the estimates we find this provision for that $3 million subsidy.

We asked the Prime Minister at the time whether that meant we would have 40 old ships or whether there would be any new ships. I must admit he said at that time that we would have only 40 old ships. And that is the position in which Canada finds herself—at least, that is still the government's policy. Canada is to have only 40 old ships in her merchant navy, and we have the assurance only that she is to have those for a period of one year. There is nothing definite as to whether there will be a subsidy for more than one year.

So I would ask the Minister of Transport, when he answers, to state why it is that we are not building any of these fast cargo vessels. I believe that unless we do that our merchant marine is doomed. I believe we will find that in the course of two or three years we will have no merchant marine of any real value at all. And, coming from a city where shipping is one of the main industries, may I say that shipping must be one of the foundations upon which the west coast of Canada can be developed. We are very much concerned about this failure to take steps to establish a merchant marine containing fast freighters.

Then, the second question has to do with shipbuilding. I am putting it in this way: How is the shipbuilding industry to be retained in Canada? The commission dealt with that very fully last year also. We find at page 48 of their report that we must retain at least 7,000 men in the shipyards, and that there must be new shipping built each year to a value of at least $28 million. Those are the figures contained in the report.

It is indicated that half of the work of the yards could well be in repair work, but that the other half must be the building of new ships, and that there must be at least $28 million spent each year on those new ships.

Mr. MacDougall: Carried.

Mr. Green: I would suggest to the hon. member for Vancouver-Burrard, if he is in a hurry, to go back to Vancouver. He can perhaps do more good there than he does here. I can tell him that this item will not be carried until I have made my statement on it. I suggest that he might take a little interest in this question too, because it is one of vital interest to Vancouver.

Mr. MacDougall: You worry about yourself.

Mr. Green: I am worrying about Canada, but you do not seem to be. The orders the government is giving for the building of ships amount to about half this figure of $28 million. The question is: From where is the other shipping construction to come? The shipbuilders of Canada apparently are very much worried about the situation. They say they simply cannot keep up the minimum number of employees set by the Canadian maritime commission, unless there is an increase in ships being built in Canadian yards. They suggest as one means of bringing about this increase the adoption of a policy whereby Canadian coastal trade shall be restricted to Canadian vessels, meaning vessels built in Canada. That policy would seem to me to be sound, although the minister may have reasons for considering it otherwise. I would ask him to tell the committee whether or not the government has any policy in mind which will make it probable that we will have

in Canada the construction of shipping at least to the value of $14 million a year, apart from government construction.

Then, the third question I would ask the minister is with regard to the rehabilitation of Canadian seamen who have lost their employment by reason of the shipping policy adopted last December. On October 15 last the number in the Canadian merchant marine had fallen to 4,100. That figure was contained in a return tabled on that date. I do not have the figure as of today, but no doubt the minister has it available.

I believe that each of these old cargo vessels carries a crew of about 35. The minister said the other day that since the policy was announced there have been 93 transferred to British registry, although I think 58 of those were actually being operated by the British under a wartime arrangement. He also said that there were transfers pending in respect of 23 more. That would make a total of 116 ships either transferred or to be transferred shortly to British registry. I would ask the minister to say how many men there are now in the Canadian merchant marine. Last night when we were discussing the question of merchant navy veterans he promised that he would tell us what the policy is with regard to helping these men, who are losing their jobs, to get new work.

Mr. Chevrier: I did not say that. I said that I would give the number of men who are affected by this movement, and it was not nearly as many as 5,000. That is not the same thing.

Mr. Green: The 5,000 figure was a quotation from a press dispatch published in Vancouver in January, I think. I hope that the government has some policy to help in the rehabilitation of these men who are losing their work because of a change in Canadian shipping policy. These are the three questions I would ask the minister to deal with on this particular item.

Mr. Chevrier: The matters which my hon. friend brings up are of considerable importance and perhaps I can give to the committee a comprehensive statement on the whole position because it affects the shipping policy of the country as a whole.

At the end of the last war Canada was left with shipping and shipbuilding industries of major proportions. These industries were revived as a result of the second world war. We were faced with the problem as to whether these industries could or should be maintained in Canada and if so, by what method. The government therefore at the end of 1947 created the Canadian maritime commission to advise it on this problem.

[Mr. Green.]

At the beginning of 1948 there were 215 dry cargo vessels which had been built by the government for war purposes and which had been sold to private Canadian operators and were engaged in the deep-sea trade. They were sold on the condition that they were not to be transferred out of Canadian registry without consent of the government.

At that time deep-sea operations were profitable and all these ships were fully employed. In spite of the fact that Canadian costs were the second highest in the world, the freight market was high enough to offset such costs.

In February, 1948, the maritime commission, having had an opportunity of making a survey of world shipping conditions, advised us that in its opinion the freight market was bound to decline and that Canadian ships would become uncompetitive. The government therefore adopted the so-called replacement plan whereby owners were permitted to sell vessels from time to time provided that the proceeds were placed in an escrow account to be used for shipping purposes.

The reasoning underlying the replacement plan was that Canadian operators bought the ships from the government at reasonable prices and terms. In these circumstances it was felt reasonable that operators instead of selling out at a profit should use such profits for the purpose of remaining in the shipping business. It was also felt that if the commission's forecast of falling freights were correct it would be better to have money in the bank rather than have ships laid up and rotting at their anchors for lack of employment.

At the time this plan was brought into effect the sale market for vessels was high. The plan was welcomed by Canadian operators. As a result 44 vessels have been sold to date at a gross sales price amounting to about $27 million which has been paid into the escrow account.

Although the escrow account has only been in operation for little over a year the sum of $4,249,430 has been or is being used for the purpose of replacement, conversion or improvement.

There follows a breakdown which will take some time to go into, but the amount, as I said, is $4,249,430 for the purposes of replacement.

It will be seen that the operation of the plan is already affording work to Canadian shipyard labour. There is of course a much larger volume of work in the shipyards to which I will refer in a moment, but the escrow

fund is being used to encourage work which would not otherwise take place. I am not anxious to see the escrow fund used up too quickly as it will form a backlog of employment in the future.

As well as affording work for Canadian shipyard labour the escrow fund has enabled Canadian ship owners to consolidate their holdings. Owners are permitted to borrow from such fund to discharge mortgages on their ships. To date about $8 million has been borrowed for that purpose. This is not only to the benefit of the government in that the government receives the balance of the purchase price of the ship which was secured by mortgage but it also enables owners to reduce their overhead by way of mortgage interest. Such borrowings are repayable to the escrow fund which is in effect a revolving building reserve.

In passing I think I should refer to a statement in the second annual report of the Canadian maritime commission which may have escaped the attention of the members of this house. When all mortgages are paid, the government will have recovered out of a total expenditure of approximately $270 million about $200 million out of the operation and sale of vessels built by the government and placed under management of the crown-owned Park company. As the cost of these vessels was part of Canada's war expenditure, the sum of $200 million represents a very creditable recovery to the Canadian taxpayer. At the moment there is the sum of about $28 million outstanding on mortgages representing the balance of purchase price due to the government in respect of the sale of these ships. This balance is payable by instalments and I have no doubt it will be collected in full.

However, in order to maintain a nucleus of a Canadian flag fleet, and incidentally to collect such balance of $28 million, it has been necessary for the government to take the steps which I now propose to outline.

Before I leave the subject of the escrow fund, perhaps I may be permitted to refer to a question which the member from Vancouver-Quadra asked me a moment ago, namely, if any fast cargo ships were being built in Canada at the present time and my answer is "no." I assume that he refers to dry cargo vessels with a speed of over 15 knots. I have no doubt that he had in mind the usefulness of such vessels in the event of war.

If a war should occur, we will of course need ships of all kinds and sizes. Much would depend on the nature and scene of any future war in determining what shipping services would be required. Nevertheless it is necessary to make plans in peacetime to meet any emergency which may occur. I do not think that I am committing any breach of confidence in saying that discussions are now taking place between north Atlantic treaty nations for the purpose of pooling their shipping resources in the event of war. It will, I am sure, give satisfaction to the members of this house to know that Canada has played some part in the idea of creating an allied shipping pool. In the event of war the creation of such pool will make available to the member nations every variety of shipping service. For obvious reasons I am not giving any details, but I think I may say that Canada's contribution to such pool would consist at the present time of almost 2 million deadweight tons of shipping. This is by no means an inconsiderable contribution.

Not only would Canada's contribution be large but it would also be useful. Canada's merchant fleet, consisting as it does mainly of Park vessels, affords a large bulk-carrying capacity. War would again necessitate the availability of a large number of bulk carriers. For instance a number of such ships would be required in the bauxite trade which would be one of the essential services to Canada in time of war. As far as bulk-carrying is concerned, Canada's fleet is not outdated or outmoded. It may perhaps illustrate my point when I say Great Britain now regards ships of this type strategically useful up to the age of 20 years. None of the Canadian-owned vessels is more than 8 years of age. As I have said, I do not propose to discuss this matter in detail except to say that the idea of present planning is to provide that ships of all types should be made available to member nations according to their needs.

In his statement to the house on December 9 last the Prime Minister mentioned these matters and also stated the government policy in respect of shipping. I do not propose to go over this ground again except to remind the house that in order to enable the Canadian flag fleet to operate competitively in the world market about $25 million in annual subsidies would be required. The government did not consider that an expenditure of this magnitude could possibly be justified. It was therefore decided to permit transfer of a number of ships to United Kingdom flag.

One of the major factors handicapping the Canadian flag fleet was its inability to carry cargoes yielding freight revenues in sterling. Expenditures being practically entirely in dollars it was necessary to find dollar

freights. Canadian owners were thus debarred for practical purposes from the large sterling freight market.

Under the arrangement which has been made with the United Kingdom, Canadian owners transferring ships to the United Kingdom flag will have free access to this market. Under such arrangements Canadian owners appoint agents in England who will receive the gross freights earned by such vessels whether such freights are payable in dollars or sterling. All ships disbursements are made through such agents and the United Kingdom will permit the net profit to be transferred to Canadian owners in dollars.

This arrangement is obviously advantageous to both Canada and the United Kingdom. The ships continue to operate under a commonwealth flag and have freedom of access to the sterling freight market. Gross dollar freights are paid into Great Britain which is in need of dollars and it is only the net profit in dollars which is repayable to Canadian owners, which should not put any drain on the British dollar supply.

Another feature of this arrangement should be mentioned. While the port of registry of these vessels is being transferred from Canada to the United Kingdom, the ownership is retained in Canada. In the event of an emergency Canadian owned ships operating under United Kingdom flag will either be returned to Canadian flag or will be treated as part of Canada's contribution to the allied shipping pool. Canada's position in regard to shipping in the event of war is not being impaired.

As stated by the Prime Minister it was considered advisable to maintain some ships under Canadian flag during the period required for the planning of the allied shipping pool. It was therefore decided to devote for this purpose the sum of $3 million which is mentioned in the present estimates. We have been advised by the maritime commission that not more than this amount will be sufficient to keep about 40 ships operating under Canadian flag.

As I have pointed out on previous occasions the freight market has declined, especially over the period of the last year. This has been due to a variety of causes, not the least of which was currency devaluation which occurred in the latter part of the year. There has not been a corresponding drop in Canadian cost of ship operations. It is hoped that the assistance now afforded to Canadian flag operators will enable them to pass through the present difficult period. It is not unreasonable to expect that the freight market will rise from its present low level at least to some extent. In the meantime Canadian owners who transfer a portion of their fleets to British registry will be receiving revenues from those vessels. There is an opportunity to Canadian owners who desire to do so, and who show initiative and foresight, to maintain Canadian flag vessels in operation.

Prior to the coming into effect of the shipping policy, there were 40 Canadian vessels lying idle. I have no doubt that practically the whole fleet would have been laid up by this time if the government had not taken immediate steps to deal with the problem. Today there are only 12 out of 172 vessels laid up and I am confident that these will shortly find employment.

As I said last Friday there are 172 ocean-going dry cargo vessels owned in Canada which are subject to the flag restriction covenant. Of these, the owners of 93 have applied for permission to operate under British flag and such permission has been granted. Twenty-three applications in respect of transfers still are pending. It must be understood that the actual date of transfers will depend upon the position of ships from time to time. The transfers are being made on as gradual a basis as possible to avoid any great disruption of employment at one time.

The Canadian maritime commission has to date approved subsidies in respect of 31 ships and 9 subsidy applications are still pending. Applications for subsidies are granted on the basis of the subsidized vessels employing Canadian crews and the commission is choosing vessels which are the most economical to operate and which are likely to be able to maintain themselves in trades beneficial to Canada and strategically useful to Canada in time of emergency. Sixteen applications for subsidies have been declined on the basis that the vessels do not fall in these categories.

While there is no item in the estimates of the Canadian maritime commission dealing with shipbuilding, perhaps I may be permitted to refer briefly to the state of this industry. Devaluation has again had serious repercussions in that it has effectively put a stop to shipbuilding in Canada for export. Nevertheless I am glad to say that there are still 9,000 men employed across Canada in shipbuilding and ship-repairing. This figure is to be compared to the figure of 7,000 men which is the estimate of employment given to us by the maritime commission necessary to preserve the industry on a nucleus basis.

I am informed that the total dollar value of tonnage delivered in the year 1949 amounted to approximately $32 million, comprising 26 vessels aggregating 54,000 gross

tons. During the same period repairs and conversions accounted for an additional $18 million. Shipbuilding and ship-repairing in 1949 therefore amounted to $50 million. This can be compared to almost $107 million in 1948 and $68½ million in 1947.

As I stated in the house on Friday, 5th May, the dollar value of shipbuilding in preparation or under construction in Canadian yards from all sources, that is domestic, export and government account amounts to more than $67 million. I should like to draw to your attention that almost 62 per cent of all shipbuilding on order is for departments of government including national defence. With the exception of the naval program, the ships now building for government account are needed replacements which were postponed during the war years.

Mr. Green: That is for the five-year period?

Mr. Chevrier: Yes.

The present naval shipbuilding program accounts for approximately $34 million and is comprised of three antisubmarine escort vessels, four Influence type minesweepers, one gate vessel and one icebreaker. I think it is only fair to state, however, that with the exception of the icebreaker and the gate vessel which are now under construction, I am advised that shipbuilding will not commence on the balance of this program until the late summer of this year and that it will extend over a period of at least three years.

I can assure the house that every effort is being made by the Canadian maritime commission, with the wholehearted co-operation of all departments of government operating floating equipment, to plan and co-ordinate shipbuilding requirements extending into the next five years.

Present indications are that including the cost of the naval vessels which I have mentioned, estimated expenditures by the government in Canadian yards to meet the cost of necessary new construction and replacement for normal requirements over the next five years will exceed $60 million.

Then with reference to the question of employment, the Canadian maritime commission estimates that not more than 1,500 potential jobs will be lost to Canadian seamen by reason of the transfer policy. I make that statement prefaced by this additional statement: Half a loaf is better than no loaf at all. Had it not been for the policy announced by the Prime Minister all ships would eventually have been laid up. As it is now, most of the ships are transferred to United Kingdom registry and 42 ships are now under Canadian registration.

Mr. Green: How many are there now connected with the Canadian merchant marine?

Mr. Chevrier: One hundred and seventy-two.

Mr. Green: I mean men.

Mr. Chevrier: I will give that as I go along.

Mr. Knowles: Eleven o'clock.

Mr. Chevrier: I think I should be allowed to complete the statement because after all the hon. member asked three questions and here we are at the end of Friday evening and my estimates are still before the committee. If I had been given a little more time I could have made this statement earlier. I had hoped I could complete my estimates tonight, but unfortunately I shall not be able to do that.

As I say, the Canadian maritime commission estimates that not more than about 1,500 potential jobs will be lost to Canadian seamen by reason of the transfer policy. These men will not all be thrown out of their jobs at once but will lose them gradually as the transfers proceed. They may choose to rehabilitate themselves through vocational training or may possibly secure employment in the ships which are being transferred.

I am informed by the commission that Canadian owners who are transferring the operation of their ships to United Kingdom registry are doing their best to afford jobs to Canadian seamen who desire to stay in the ships. There is only one difficulty in this connection which I think I should mention quite frankly and that is that the British seamen's union is doubtful about taking Canadian seamen into its ranks. This is a subject which is under discussion at the moment.

I cannot blame the British seamen's union for its attitude. We are all aware of the disastrous effects of the communist-led strike of the Canadian seamen's union last year. I commend to every member of this house the reading of the white paper issued by the British government on this subject on the 14th of December last. As to the cause of this strike and its international inception and ramification I cannot do better than read from the foreword of the white paper written by the British minister of labour:

> A review of the circumstances in which these strikes started and spread makes it clear that preparations for the strikes began as early as the latter part of last year, although the first strike did not take place until May of this year. The evidence shows that there was throughout a cold and deliberate plan, and that the unofficial leaders were completely indifferent to the loss and suffering that might result. They had one aim and one aim only —to restore the fortunes of the communist dominated Canadian seamen's union. In the course of

the strikes they engaged in misrepresentation and violence and it was inevitable that when the trades union leaders in this country, mindful of the interests of their members, opposed the strikes and tried to bring out the true facts, they were in turn assailed and abused by the communists in this country who were supporting the strikes.

There is a lesson to be drawn from this unfortunate experience.

An hon. Member: Amen.

Mr. Chevrier: I thank the hon. member for that remark. I was hopeful that it would have been possible for me to complete my estimates tonight, and I am still hopeful that it may be possible to pass this item.

Mr. Green: This matter is of too much importance to the coastal regions of Canada to let it go through without discussion. The minister has made a very important statement and I ask that he put on the record the complete statement. In the beginning he skipped portions and I would ask that he put on *Hansard* the details he said he was not going to read.

Mr. Chevrier: My hon. friend should not make the statement that I skipped any portion. I read the whole of this statement and I will give it to *Hansard* so it will be on *Hansard*. I ask the hon. gentleman to please not make statements that I skipped anything.

Mr. Green: I was not implying anything. I realize that the minister has had a hard day—

Mr. Chevrier: On a point of order—

Mr. Knowles: Eleven o'clock.

The Deputy Chairman: Order. I understand that the hon. member for Vancouver-Quadra wants to explain that he did not intend to say anything offensive to the minister.

Mr. Green: That is right.

Mr. Chevrier: I accept his explanation. The hon. member says that this matter is far too important to dispose of now but we have had three debates on it and we will probably have another when the supplementary estimates are before the committee. I agreed to meet the wishes of the hon. gentleman and the wishes of the C.C.F. party by letting item 524 stand in order to be able to discuss freight rates next Friday, but have I received the consideration of the committee with reference to the rest of the items? I was assured, although it means nothing, that I would be able to complete them tonight, and here they are.

Mr. Green: The minister really should not take that attitude. We have had discussion on various items today which has been carried on in an orderly way. Personally I have asked only two or three questions and it is just the minister's bad luck that this question of shipping has come up late and his estimates are not being completed today. No one has been trying to block them and I am sure the miinster would not suggest that there has been any such attempt. This question of shipping and shipbuilding is simply too important to be permitted to go through without proper discussion. I wish it were possible to let all the items go through tonight, but in justice to the people I represent I cannot agree to that.

The Deputy Chairman: Will the hon. member permit the passage of the five other items having to do with government-owned enterprises?

Mr. Green: Those items include the national harbours board which again is of great importance.

Mr. Chevrier: There are three items concerning the maritime commission that do not deal with this policy. One refers to administration and another to subsidies. Then there is the matter which is under discussion now, item 527.

Mr. Green: The minister has said that there has been a debate on this question. This is the first opportunity there has been to debate the shipping policy. There has been no such debate before. Each of these three items is involved in the shipping and shipbuilding policy of Canada.

The Deputy Chairman: I should like to obtain the opinion of experienced members on this suggestion. On the first item of a department a general discussion is always allowed. I am wondering whether the general discussion allowed on the first item should not take care of all general discussions of any subheadings in the same department.

Mr. Green: If I remember correctly, when the administration item was up we were told that shipping could be discussed under the Canadian maritime commission.

Mr. Chevrier: Oh, no.

Mr. Green: That is the proper place to discuss it, and it has not been discussed.

Mr. Chevrier: Oh, yes. On a point of order, if I may, when the general administration item came up my hon. friend complained because there was no statement on the shipbuilding program. I brought down a statement at eight o'clock that day on the continuation—

Mr. Green: A very brief one.

Mr. Chevrier: —of my estimates. I read it and we discussed it. Now my hon. friend

brings it up again. I do not think he should make the statement which he did.

Item stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Chevrier: Mr. Speaker, the business for Monday is as follows: We will take up government notices of motion. Then we will proceed with the following bills: Bill No. 237, an act to amend the Customs Act; Bill No. 236, an act to amend the Tariff Board Act; Bill No. 235, an act to amend the National Parks Act, and the necessary resolution; Bill No. 82, an act to amend the Criminal Code; and if there is time left we will take up Bill No. 180, an act to amend the War Veterans Allowance Act, 1946.

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

[The following items were passed in committee of supply]:

DEPARTMENT OF TRANSPORT

Air service—

498. Air service administration, $203,890.

Civil aviation division—

499. Control of civil aviation, including the administration of the Aeronautics Act and regulations issued thereunder, $676,656.

Airways and airports—

500. Construction and improvements, including radio facilities; and to authorize commitments against future years in the amount of $421,000—capital, $9,430,340.

Operation and maintenance—

501. Civil aviation services, $7,708,041.

502. Radio aviation services, $4,489,730.

503. Airway and airport traffic control, $1,050,659.

504. Grants to organizations for the development of civil aviation, in the months detailed in the estimates, $310,000.

505. Contributions, subject to the approval of the governor in council, to assist municipalities to improve existing airports, the sites of which have been provided by such municipalities (revote $210,000), $137,000.

506. To authorize contribution of an amount not exceeding $30,420 to the state of Michigan, U.S.A., department of aeronautics, towards the cost of operation and maintenance of certain airways facilities at Grand Marais, Michigan, for use of Canadian aircraft, $30,420.

507. Contribution to the international civil aviation organization as Canada's portion of the financial assistance to the government of Iceland in respect of the provision, operation and maintenance of certain air navigation services, $37,000.

508. Contribution to the government of Denmark as Canada's share in joint support of North Atlantic air navigation facilities in the Faroes and Greenland, $71,000.

509. Contribution to the south Pacific air transport council as Canada's share towards the maintenance and operation of air transport facilities in the south Pacific, $112,000.

Northwest communication system—

510. Additions and betterments, including transport equipment—capital, $497,287.

511. To provide for the difference between the expenditure for operation and maintenance and revenue accruing from operations during the year ending March 31, 1951, including the acquisition of materials and supplies to an amount not exceeding $125,000, $231,034.

Meteorological division—

512. Meteorological services, $4,958,450.

513. Construction and improvements, $600,625.

Radio division—

514. Administration of the Radio Act and regulations, $847,320.

515. Radio direction finding stations, radio beacons and radio telegraph stations, operation and maintenance, $1,952,250.

516. Suppression of radio interferences, $354,885.

517. Issue of radio receiving licences—(transport department only), $705,340.

518. Telegraph and telephone service—administration, operation and maintenance, $1,354,845.

519. Telegraph and telephone service—construction and improvements, $460,785.

Terminable services—

Railway service—

520. Acquisition of properties in Canada for U.S. authorities, $17,750.

521. Steep Rock mines—construction, $62,000.

522. Steep Rock mines—subsidy, $129,066.

HOUSE OF COMMONS

Monday, May 29, 1950

The house met at three o'clock.

HOUSE OF COMMONS

VISIT TO BROCKVILLE AND DISTRICT BY MEMBERS OF PARLIAMENT

Mr. W. F. Carroll (Inverness-Richmond): On a question of privilege, Mr. Speaker, it seems right and proper that the House of Commons and the public should be informed of the fact that the leading intellectuals of all political parties in the house spent the week end at Brockville in the county of Leeds, and in other parts of the province of Ontario. Speaking for myself and others, our visit was a great pleasure from every point of view. We enjoyed all the social functions, and gained firsthand knowledge of one of the beauty spots of Ontario. We visited the truly magnificent Thousand islands, the imposing, comfortable and beautiful tourist resorts of the county, and the industries of Brockville, the principal town.

What caught my attention and imagination was the complete cleanliness of the industrial plants, the beauty and tidiness of the outer surroundings, and the spirit of harmony prevailing between employer and employee. The tidy workshops of industry in the town of Brockville were very different from the dirty and miserable places in other large industrial centres of this country where people must toil day and night.

Our thanks and appreciation must go to the genial member for Leeds (Mr. Fulford). He is not here today, because he is attending the graduation of one of his sons from McGill university. I should also like to express our thanks and appreciation to his most amiable wife, to the mayor and aldermen of the civic corporations of Brockville and Gananoque, and the members of the chambers of commerce, for a wonderful time and an educational feast.

I hope and pray that in the future there will be more such visits from the east of Canada to the centre, from the west to the centre, and from the centre to the east and west, in order that members of the house may obtain firsthand knowledge of the wonderful country in which we are privileged to live.

Mr. Harris (Danforth): Before the hon. member sits down, will he explain to the house what a leading intellectual is?

Mr. Cruickshank: There are none over on that side.

Mr. W. D. Wylie (Medicine Hat): Mr. Speaker, following the remarks of the hon. member for Inverness-Richmond (Mr. Carroll), may I say that I was most happy to hear what the hon. member had to say about our visit to Brockville. I should like to express my sincere appreciation to the hon. member for Leeds (Mr. Fulford) for organizing the trip. I want to express my appreciation also to the city of Brockville, the town of Gananoque and their chambers of commerce, for their part in organizing the visit.

I should also like to refer to a telegram that has been on the bulletin board of the House of Commons since noon yesterday. It reads:

Alexandria Bay, N.Y.
May 27, 1950

George T. Fulford, M.P.,
House of Commons

The "Wylie for president" campaign has got off to an enthusiastic start. There is much room today for purity in politics.

W. Hornblower, chairman.

The telegram demonstrates that when members of the Liberal, Conservative, C.C.F. and Social Credit groups get together on such a trip, we can do things.

Before I resume my seat may I say that the trip through the Thousand islands was very much appreciated; it was something I shall always remember. On behalf of those associated with me in this group may I say to those who were so thoughtful as to arrange for this trip, thanks a million.

Mr. Clarence Gillis (Cape Breton South): Mr. Speaker, speaking for the other representative of the proletariat who was with me, as well as for myself, I agree with what has been said by both hon. members who have spoken. We are very much indebted to the hon. member for Leeds (Mr. Fulford) and those associated with him in arranging this informative and interesting week end of recreation.

The trip also had international implications. We visited Alexandria Bay, New York, and were treated very kindly by the people of that area. You will notice that my vociferous friend from Alberta made such an impression over there that they are considering running him for president of the United States.

We had a very pleasant week end, and are greatly indebted to those who were responsible for it.

(Translation):

FIRES

RIMOUSKI AND CABANO—VISIT BY PRIME MINISTER—SCOPE OF DEVASTATION

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, with your permission, I should like to report briefly to the house on what I have been able to observe in the course of the trip I made last Thursday and Friday to Rimouski and Cabano, where I visited the victims of the disasters which occurred in those two cities of the lower St. Lawrence.

I left Dorval Thursday morning with the Solicitor General (Mr. Lapointe), and Mr. Leopold Langlois, member for Gaspe, who acted as representative for the hon. member for Rimouski, Mr. Gleason Belzile. Brigadier Jean Allard, commanding officer of the Quebec military district, joined our party in Quebec city.

Perfect weather and visibility permitted us to have an aerial view of the damaged sections of the towns of Cabano and Rimouski, before we landed for our visit to these two interesting industrial centres.

After landing at Mont Joli airport, we were met by Brigadier A. Thériault, member of the federal-provincial commission which is to report on both disasters, and then our party proceeded immediately by motorcar to Rimouski.

We paid our first call to the city hall, where we were greeted by Mayor Victor Lepage. We met the members of the municipal council, the members of the relief committee, the civic department heads, the engineers, architects and technicians, all of whom were there on loan from the federal and provincial governments. We were shown the properties which were destroyed on the cadastral survey of the city. The plan would be to try to rebuild the district which was burned down by making a new cadastral survey which would take into account the views of the owners, engineers, surveyors and town-planners who are all working in very close co-operation. One can easily imagine the difficulty of the problem when one knows that the damaged area does not allow all previous owners to rebuild their homes if they are to be separated by sufficient space to prevent another disaster.

From the city hall, we went to visit the damaged area, where we met the superior of the seminary. As you know, half of the building, not being fireproof, was burned down. Then we met the nuns in charge of the hospital where extension works had been in progress. Unfortunately even in the fireproof section, flames spread through and caused damage. There we also saw the nuns in charge of the home for the aged and of the orphanage, both of which have disappeared; we also met the manager of the Price Company, whose mill was destroyed. At this time of the year, the mill employed between 500 to 600 men. Although the company's plans for the future are not yet determined, it is held that it will shortly be able to provide work for a good many workers.

We have seen the ruins of 359 houses, the destruction of which has left over 2,000 persons homeless.

Approximately one-quarter of the town has disappeared in this terrible fire, not to mention the vast area covered by the plant and lumber yards of the Price Company.

The canteen set up in the arena by the relief committee has operated very well and it still serves between 1,200 to 1,500 meals a day. In the committee's warehouses, we have been able to see great quantities of clothing, furniture, building material and goods of all sorts which were sent to the victims by sympathetic and generous people in Canada and the United States.

Toward the end of the afternoon, we called on the Archbishop of Rimouski, who expressed his gratitude for the sympathy shown to the population of his episcopal See.

Friday, we went to Cabano with the hon. member for Temiscouata, Mr. Jean François Pouliot. In that town, we were greeted by Mayor Emilien Morin and Rev. Canon Cyr, parish priest.

One hundred and fifty-nine homes were destroyed in Cabano, which left over 1,000 persons homeless. In Rimouski every victim took refuge elsewhere in the city and in surrounding villages; but it could not be so in Cabano, where close to a third of the village was destroyed and many of the victims still live under tents supplied by the army or other divisions of the dominion and provincial governments.

In Cabano, as well as in Rimouski, the army and Red Cross have performed an admirable task, and nothing was spared to save the victims from hunger and want.

The population of both localities is courageous and optimistic. The sympathy and

help which they have received are appreciated.

In both towns there are clever and enterprising administrators and businessmen who show a great deal of initiative. In Cabano, the manager of the Fraser Company, whose plant has not been destroyed, assured us that normal operations would be resumed this very morning.

I have conveyed to every one the sympathy of the people of Canada and in both places I stated, as I had done in this very house, that upon receipt of the report concerning the nature and extent of each of the two disasters the federal government would take a similar stand with respect to assistance as was taken in the case of the Fraser valley disaster in 1948.

The members of the commission of inquiry into the disasters at Rimouski and Cabano are proceeding with diligence and the government has reason to believe that they will report on the results of their investigation in the near future.

Mr. A. Phileas Cote (Matapedia-Matane): Mr. Speaker, following the remarks of the Prime Minister (Mr. St. Laurent), I wish to assure him and the government that the good people of my constituency, which adjoins Rimouski, scene of the terrible catastrophe, are entirely at the officials' disposal in order to help cope with this disastrous problem. The Matane civic authorities have already taken the necessary steps to have the home for the aged in that city replace that of Rimouski. The old Matane hospital has been furnished and will be turned over to the nuns whose own building was lost at Rimouski; this hospital, which is quite suitable, will be used to hospitalize the inmates of the home for the aged in Rimouski.

Many of the Rimouski fire victims have already taken refuge in the constituency of Matapedia-Matane. I am also sure that at Lac au Saumon and at Amqui, people are willing to do all that is humanly possible in order to relieve the hardship suffered by the citizens of Rimouski. Government officials are doubtless aware of the efforts that have already been made in this direction and they also realize that the good people of Matane are very anxious to help the fire victims of Rimouski, if only they are given the opportunity to do so.

Mr. J. G. L. Langlois (Gaspe): Mr. Speaker, at the request of my hon. friend from Rimouski (Mr. Belzile), who is at present confined to the hospital, I was indeed happy to represent him at Rimouski while accompanying the Prime Minister (Mr. St. Laurent) and the Solicitor General (Mr. Lapointe) on a tour of that stricken area. If I speak today on behalf of my colleague as well as of the people of the constituency of Rimouski, it is to thank publicly the right hon. the Prime Minister and the Solicitor General for this visit, which was as much a token of sympathy as a means of investigation. My fellow citizens of the fire-ravaged town of Rimouski will most certainly have found in this evidence of interest and sympathy on the part of the government a most valuable incentive in the heavy task of reconstruction which now faces them as a result of this disaster.

I know also that the people of Rimouski were deeply moved by the visit paid them yesterday by Their Excellencies the Governor General and Lady Alexander. I am also certain that this expression of sympathy on the part of His Majesty's representative in Canada has been greatly appreciated by these sadly afflicted people.

I also wish to thank the hon. member for Matapedia-Matane (Mr. Cote), as well as his fellow citizens and constituents, for the generous support and valuable help they gave to the people of Rimouski during and since that disaster.

(Text):

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 238, for the relief of Katherine Madge Samworth Monty.—Mr. Winkler.

Bill No. 239, for the relief of Clara Rosen Freedman.—Mr. Winkler.

Bill No. 240, for the relief of Frances Berman Mellor, otherwise known as Sharie Sinclaire.—Mr. Winkler.

Bill No. 241, for the relief of Rodolphe Durand.—Mr. Winkler.

Bill No. 242, for the relief of Helen Leck Karaszi.—Mr. Winkler.

Bill No. 243, for the relief of Sadie Chernin Petruska, otherwise known as Sadie Chernin Prince.—Mr. Winkler.

Bill No. 244, for the relief of Audrey Phyllis Angela Blom Rochfort.—Mr. Winkler.

Bill No. 245, for the relief of Patricia Ruth Segall Wener.—Mr. Winkler.

Bill No. 246, for the relief of Sophie Piatkowski Demyk.—Mr. Winkler.

Questions

Bill No. 247, for the relief of Hilda Brooks Nangreaves.—Mr. Winkler.

Bill No. 248, for the relief of Zemelia Katrina Ayoub MacDonald.—Mr. Winkler.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

NEW POST OFFICES IN NEWFOUNDLAND

Mr. Browne (St. John's West):

1. How many new post offices have been opened in Newfoundland since April 1, 1949?
2. Where are they located?

Mr. Lapointe:

1. One.

2. Shearstown: 2½ miles west of Bay Roberts, 2½ miles north of Coley's Point, and 2½ miles south of Spaniard's Bay post offices.

CHANDOS, ONT., RURAL MAIL SERVICE

Mr. White (Hastings-Peterborough):

1. What changes, if any, have been made in the delivery of mail in the township of Chandos in the county of Peterborough?
2. Will the department make any further changes to improve the delivery of mail in this township?

Mr. Lapointe:

1. None.

2. Yes; two rural mail delivery routes are being established.

HEALTH GRANTS—RESEARCH PROJECTS—NEW BRUNSWICK

Mr. Dube:

In respect of what research projects and in what amounts has approval been given for financial assistance to New Brunswick by the federal government under the national health grants program since the program started in 1948?

Mr. Martin:

	Amount approved			
	1948-49	1949-50	1950-51	
Grant to assist in the study of the nutrition value of certain farm products and their relation to the general health of the population. Research will be carried out by the department of biology, university of New Brunswick	....	$ 7,500	$ 7,250	
Research and development of narco-analysis as a guide in diagnosis of mental disorders	$ 1,000	2,000	....	
Grant to the national research council for research in the use of ACTH and cortisone	....	6,000	6,000	
Grant to the National Cancer Institute for research in cancer	7,500	7,500	7,500	
Grant to the Canadian Arthritis and Rheumatism Society	1,719	....	....	
Sickness survey—Examination by statistical methods of a representative sample of the population as part of a nation-wide survey to determine the incidence of sickness in Canada	....	....	11,862	
	$10,219	$23,000	$32,612	
Total				$65,831

QUESTIONS PASSED AS ORDERS FOR RETURNS

CO-ORDINATOR OF PUBLIC PROJECTS

Mr. Knowles:

1. Who was appointed co-ordinator of public projects, as announced by the then minister of reconstruction on April 12, 1945, as recorded in *Hansard* of that date, at page 810?

[Mr. Winkler.]

2. Does anyone occupy this post today? If so, who? If not, how long has it been vacant?

3. How much money was paid out (a) in salaries; (b) for all other items, in connection with the work of the co-ordinator of public projects?

4. What are the names of the persons appointed to each regional council, one for each province and two each for Ontario and Quebec, for the purpose of recommending public projects, as announced by

the then minister of reconstruction on April 12, 1945, as recorded in *Hansard* of that date, at page 810?

5. Are these councils or committees still functioning? If not, when did they cease to function?

6. What are the names of those appointed to the permanent executive staff of these councils or committees?

7. Is this permanent executive staff still functioning? If not, when did it cease to function?

8. How much money has been expended (a) in salaries or allowances; (b) for all other items, in connection with the work of these councils or committees, and in connection with the work of the permanent executive staff, since April 12, 1945?

Mr. Prudham: Return tabled.

RED RIVER VALLEY—REFERENCE TO INTERNATIONAL JOINT COMMISSION—DIKING IN FRASER VALLEY

Mr. Winkler:

1. How many square miles are there in the plain known as the Red river valley in Manitoba?

2. How many square miles are there in Manitoba and Saskatchewan draining directly or indirectly into the Assiniboine river?

3. How many square miles on the second prairie level in Manitoba drain eventually into the Red river?

4. How many dam-sites or storage reservoirs in the second prairie level have there been surveyed or projected by (a) P.F.R.A.; (b) international joint waterways commission?

5. In regard to questions 1, 2, 3, 4, what information has been received from the international joint commission as to the area lying in the United States?

6. In the Fraser river valley rehabilitation plan of 1948, how much was expended in diking?

VETERANS LAND ACT—NOVA SCOTIA

Mr. Black (Cumberland):

1. What is the total number of farms and small holding establishments bought under the Veterans Land Act in Nova Scotia and comprising the district served by the Saint John, New Brunswick, office, since the act came into force?

2. What has been the total cost of (a) such farms and small holdings; (b) constructed roads, water mains, sewers, and other improvements, for each project in the said district?

3. What was the total number of farms and small holdings (a) occupied by veterans; (b) in the process of acquisition or improvement, in the said district at the end of the fiscal year 1949?

4. What has been the total amount of "write-down" of assets on all such properties in the said district prior to sale to veterans?

5. What have been the legal fees and the names of those to whom paid for each project during each fiscal year since the act came into force?

6. What was the total cost for (a) salaries; (b) wages; (c) travelling allowances, of permanent and temporary employees in the said district during each fiscal year since the act came into force?

7. What was the total amount of instalments payable in each fiscal year?

8. What was the total amount of said instalments unpaid at the end of the fiscal year 1948-49?

PRAIRIE FARM ASSISTANCE—SEPARATE PAYMENTS TO WIVES

Mr. Argue:

1. How many applications in 1949-50 by persons who received prairie farm assistance in 1948-49 were rejected in whole or in part?

2. How many wives whose husbands received prairie farm assistance were awarded separate prairie farm assistance in 1948-49?

3. Of this number, how many wives applications were (i) rejected for payment or amalgamated with that of the husband in 1949-50; (ii) passed again for separate payment in 1949-50?

4. How many wives whose husbands received prairie farm assistance were awarded separate payment in 1949-50?

5. How many wives not applying for prairie farm assistance in 1948-49 applied for payment separate from their husbands in 1949-50?

MOTIONS FOR PAPERS

DENIAL OF THE USE OF MAILS

Mr. Knowles:

For a return showing the names and addresses of all companies or associations in Canada who are denied the use of the mails at the present time by virtue of any order or decision made since December 1, 1949, and showing also the reason and the authority for such denial in each case.

Mr. Lapointe: I have discussed this motion with the hon. member, and in view of the statements made in the house on this matter, and the fact that the Minister of Justice has announced that consideration was being given to changes in the legislation, he has agreed to drop the motion.

Motion dropped.

INCOME TAX APPEAL BOARD—EVIDENCE IN THE CASE OF MR. "C"

Mr. Diefenbaker:

For a copy of depositions and evidence taken before the income tax appeal board in the case between Mr. "C" and the Minister of National Revenue.

Mr. Winters: The third schedule of the Income War Tax Act, as enacted by section 22, chapter 55, statutes of 1946, provides:

7. (2) An appeal may, in the discretion of the board as the case may be, be heard in camera or in public unless the appellant requests that it be heard in camera in which case it shall be so heard.

Section 82(2) of the Income Tax Act is in similar terms. It reads as follows:

An appeal may, in the discretion of the board, the chairman, the assistant chairman or hearing officer, as the case may be, be heard in camera or in public unless the appellant requests that it be heard in camera in which case it shall be so heard.

As appears from the judgment rendered by the income tax appeal board in this case, the appellant requested that the case be heard in camera and it was so heard.

Motions for Papers

On March 28 the Minister of National Revenue, in reply to a question from the member for Lake Centre said this, as recorded at page 1182 of *Hansard*:

I have handed to the hon. member for Lake Centre a copy of the reasons for judgment and of the minutes of judgment in this particular case. So far as the evidence is concerned, that is not public or available because at the request of the appellant the case was heard in camera.

Mr. Speaker, under the circumstances I am unable to produce the information requested by the hon. member.

Mr. Diefenbaker: I do not accept the interpretation given as to the meaning of the Income Tax Act, and wish to appeal against the refusal.

Mr. Speaker: Then I will have to put the question. Those in favour of the motion will please say "yea".

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say "nay".

Some hon. Members: Nay.

Mr. Speaker: In my opinion, the nays have it, and I declare the motion lost.

And more than five members having risen:

Mr. Speaker: Call in the members.

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

YEAS

Messrs:

Argue
Balcer
Black (Cumberland)
Blackmore
Blair
Brooks
Bryce
Casselman
Coldwell
Diefenbaker
Drew
Fair
Fleming
Fulton
Green
Hansell
Harkness
Harris (Danforth)
Herridge
Hodgson
Homuth
Jones
Knight
Knowles
Lennard
McLure
Pearkes
Quelch
Stewart (Winnipeg North)
Thomas
Tustin
White (Hastings-Peterborough)
Wright—33.

NAYS

Messrs:

Abbott
Applewhaite
Ashbourne
Bater
Beaudoin
Bertrand
Blanchette
Boisvert
Boucher
Bradette
Bradley
Bruneau
Byrne
Campney
Carter
Cauchon
Cavers
Cote (Matapedia-Matane)
Croll
Dechene
Decore
Dewar
Dickey
Dube
Ferrie
Fournier (Hull)
Gardiner
Garson
Gauthier (Sudbury)
Gauthier (Portneuf)
George
Gibson
Gillis
Gingues
Goode
Gosselin
Gregg
Harris (Grey-Bruce)
Harrison
Healy
Helme
Henderson
Hetland
Jutras
Kent
Kirk (Digby-Yarmouth)
LaCroix
Langlois (Gaspe)
Lapointe
Leger
Lesage
Little
MacDougall
MacKenzie
MacLean (Cape Breton North and Victoria)
MacNaught
McCulloch
McCusker
McDonald (Parry Sound-Muskoka)
McIvor
McLean (Huron-Perth)
McWilliam
Major
Martin
Masse
Matthews
Maybank
Mitchell
Mott
Mutch
Noseworthy
Pouliot
Prudham
Richard (Ottawa East)
Roberge
Robinson
Rooney
St. Laurent
Simmons
Sinclair
Smith (Queens-Shelburne)
Smith (Moose Mountain
Stewart (Yorkton)
Stick
Studer
Viau
Warren
Weaver
Weir
Welbourn
Whiteside
Winkler
Winters—93.

Mr. Smith (Calgary West): I was paire with the hon. member for Edmonton Ea (Mr. Macdonald).

Mr. Cruickshank: I was paired with the ho member for Medicine Hat (Mr. Wylie). Ha I voted, I would have voted against th motion.

PRAIRIE FARM REHABILITATION—WAGES, ET

Mr. Thatcher:

For a return showing the names and address of all persons employed under the Prairie Far Rehabilitation Act in the fiscal year ending Mar 31, 1949, together with wages, allowances a travelling expenses received by each employ during that year.

Mr. Gardiner: I believe this motion as for exactly the same information as has bee given before. I would like to discuss it wi the hon. member, who is not in his seat, a I therefore ask that it be allowed to stan

Mr. Speaker: Motion stands.

RED RIVER, MAN.—PERMANENT WORKS AN DIKES

Mr. Diefenbaker:

For a copy of all correspondence since the fi of May, 1950, with the government of the provin of Manitoba directly or indirectly relative to t liability of the dominion government for permane works and dikes on the Red river.

Mr. St. Laurent: We will of course ascertain that the government of Manitoba has no objection to the production of this correspondence, and I am sure it has not.

Mr. Diefenbaker: Yes.

Mr. Speaker: Carried, subject to the reservation made by the Prime Minister.

HOUSE OF COMMONS

MORNING SITTINGS ON AND AFTER THURSDAY, JUNE 1

Right Hon. L. S. St. Laurent (Prime Minister) moved:

That on and after Thursday, June 1, 1950, until the end of the session the house shall meet at 11 o'clock in the morning of each sitting day and that in addition to the usual intermission at 6 o'clock, p.m., there shall also be an intermission every day from 1 to 3 o'clock p.m.

Mr. M. J. Coldwell (Rosetown-Biggar): Before this motion carries I think the house should consider the advisability of deferring the date for a week. I am making the suggestion because so many of the committees are sitting at the present time. Some committees have not by any means reached the reporting stage; some of them, in fact, have just begun to sit.

Our experience of the last week or so, when committees were sitting in the afternoon as well as in the morning, indicated the difficulty of hon. members paying attention to the business that was actually before the house. On a number of days last week I made a count of the hon. members in the chamber. I am not blaming hon. members who were out of the chamber, but at times during the week over a hundred members were absent, sitting on committees in the various committee rooms. Committees should be nearer the reporting stage before this motion is passed.

I looked up *Hansard* of the pre-war years —and this should be considered as a post-war sitting—and this is what I found. In 1935, for example, there were only three morning sittings out of 97 sitting days; in 1936 there were four morning sittings out of 91 sitting days; in 1937 there were nine morning sittings out of 62 sitting days. In 1938 there were only four out of 102; and in 1939, when we were dealing with defence matters because of the international situation that had developed, we did have 20 morning sittings out of 103 sitting days.

Even during the war we did not have a great many morning sittings. In the spring session of 1940 we had 11 morning sittings out of 61 sitting days. In 1941 we had 20 out of 105; in 1942 we had 13 out of 124; in 1943, 14 out of 120.

This is the sixty-sixth day of the session. It seems to me that a motion for morning sittings is premature, both because of the number of days we have sat, and because of the business of the house which has been referred to committees, which is not completed and which will require a great deal of attention from hon. members.

While we are all anxious that the business of the house shall be completed before the intensely hot weather arrives, because when it is hot it is difficult to give the kind of attention that should be given to the business of the house, I think reconsideration should be given to the date, and I move the following amendment:

That the motion be amended by deleting therefrom the words "June 1" and substituting therefor the words "June 8."

This will give us one more week to complete the committee work, and a chance to attend to the business of the house as well as of the committees. Perhaps the Prime Minister would consider changing the date himself, so that I would not have to press the motion; but I wanted to put it regularly before the house.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, it does not seem to me that any reason has been put before the house for this motion; therefore I do not think we should add an amendment calling for morning sittings to start a week from June 1. I am not taking issue with the view expressed as to the undesirability of starting morning sittings at this point, but I do question the possibility that any of the committees will have presented their reports between now and a week from Thursday.

There is strong reason why the motion should not be pressed at this time. A number of extremely important committees are sitting. They are committees dealing with social security, public accounts and a number of other matters that are being examined with a great deal of care. Agriculture is coming up. The national defence committee is in process of considering a very long bill which has been referred to it. At the stage when we are asked to sit at eleven o'clock in the morning, at the same time as all these committees are meeting, a committee appointed with the authority of the government, on motion of the Secretary of State (Mr. Bradley) to deal with amendments to the elections act, has not yet been called, although the question has been asked several times when it would meet. If there has been any delay in the convening of these committees then the responsibility for that delay must be fully

assumed by the government and those charged with the responsibility of directing the business of the house.

Members on the government side, as on this side, who have been attending these committees have been showing a commendable desire, in a great many of the committee activities—in fact, in most of them—to produce useful results and to facilitate the business of the house. I do not think it is possible for members who are sitting on several committees—and their number involves an actual majority of the members of the house—to give consideration to the business of those committees and also to give proper consideration to the business before the house.

No matter what any member may feel about the time that may have been devoted to the discussion of any particular subject, it should be remembered that we have not disposed of the estimates of a single department, that we have dealt with only a few departments, and that the fundamentally important business of the House of Commons, which is the provision of money for the public business, still has to be dealt with.

Particularly in view of the reluctance to set up a committee on estimates, and the invitation of the Minister of Finance (Mr. Abbott) to examine the estimates carefully—which invitation, I may say, will be accepted—I do submit through you, Mr. Speaker, that this motion is premature. If it is intended that the committees shall have the opportunity to deal with their very important business as they should, this motion should not be pressed but rather should stand until there is some opportunity to see how rapidly the committees can proceed with their work.

Let us recall the criticism that there has been no attempt made fully to examine all the facts. May I say that with a committee on estimates sitting there would be an opportunity to do that. But if there is an attempt to proceed at the same time both in the house and in committees, and it is not humanly possible for members to deal adequately with all these activities, then there may well be justification for the suggestion that there has not been afforded a proper opportunity to go into such questions as social security, public accounts, agriculture, and all these other matters which are under consideration—to say nothing of the very important committee moved by a minister of the crown to deal with amendments to the elections act and certain recommendations which have been made.

Mr. Daniel McIvor (Fort William): Mr. Speaker, as a private member I venture to rise, because sometimes private members have a little bit of sense. I think the Prime Minister has been very patient during this session, and when we think of those who see us from another place we should mend our ways.

Mr. Drew: Which place?

Mr. McIvor: If we are serious in our business, then perhaps we could make better speeches by cutting them from forty minutes to about ten minutes. That is one of the things I have discovered, as a member of the House of Commons, namely, the number of hon. members who can sit and listen so long and so often.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I do not propose to discuss this matter at length. The record of proceedings will show what questions hon. members have felt were more important than the estimates, when motions have been made to go into supply. *Hansard* will show who the hon. members are who felt that there were more important questions they wished to raise.

With respect to the sittings of committees, the leader of the opposition has said that old age security and public accounts committees have not finished their work. I have looked up *Votes and Proceedings* for May 12, where I find that there is a notice for a meeting of the committee on old age security at four o'clock. There are notices for meetings on May 16 at four o'clock and May 17 at four o'clock.

In the last issue of *Votes and Proceedings* I find the committee on old age security called for four o'clock on May 29, for four o'clock on Tuesday, May 30, and for four o'clock on Wednesday, May 31. Those are the dates I have looked up. That committee got leave to sit while the house is sitting, and they have taken advantage of the leave that was granted to them.

This motion was submitted upon the suggestion of a large number of members from all quarters of the house. The leader of the C.C.F. party has now moved an amendment. I am going to vote against that amendment, but I am not making any recommendation to any of my followers. They are free to vote as they feel. Members of the house will be free to vote on the question whether this proposal should become effective on June 8 instead of on June 1 as is proposed. We will see just what is the feeling of a majority of members of the house.

Mr. J. A. Ross (Souris): Mr. Speaker, I doubt if there is anyone who is more anxious to get home than I am. However, we have

come here to represent our people. Something has been said about committees not reporting. On March 6 I asked the Minister of Trade and Commerce (Mr. Howe) if he would refer the last report of the Canadian wheat board to the committee on agriculture for examination. I did not receive a satisfactory answer. He did not say flatly that he would not, but he did not give much encouragement.

Recently amendments to the Prairie Farm Assistance Act have been referred to a committee. There are other matters of great importance before committees. I do not wish to miss any of the proceedings of the committee on agriculture, nor do I wish to miss sittings of the committee of the whole when there are estimates before it. We must give serious consideration to these very important items in committee, and yet we should be in the house when there are important matters before it.

Mr. A. Phileas Cote (Matapedia-Matane): Mr. Speaker, as suggested by the leader of the opposition (Mr. Drew), every member should have his say in this matter. As one of those members let me point out that I have witnessed what has gone on since the beginning of the session. Every time the government has moved to go into supply on the estimates, the leader of the opposition has had something to say, about twice a week, so that those estimates have had to be placed in the background. I have not counted how many times it has occurred, but it has extended over several weeks. The only reason we have not finished the estimates is because of the leader of the opposition, and not because of the government.

Mr. Smith (Calgary West): How do you know? You were not here.

Mr. Cote (Matapedia-Matane): You had better check, because at times you do not see what is going on.

Mr. Ross (Souris): You cannot see if you are not here.

Mr. Speaker: Order.

Mr. Cote (Matapedia-Matane): The leader of the opposition has suggested that every member should have a say in this regard. We are faced with the proposal of the government that we sit from eleven o'clock in the morning. I for one am willing to agree to that, and it seems that the main objection to doing so is that the committee on privileges and elections has not yet been called to sit. I suggest to the leader of the opposition there is no urgency connected with that matter. There will be no election this year or next year—

An hon. Member: Who told you?

Mr. Cote (Matapedia-Matane): —because the government has a majority. It seems to be elementary, my dear Watson. Even with committees meeting it is feasible to sit from eleven o'clock instead of from three, if we take note of the attendance in the house. If the opposition had demonstrated up to now a willingness to speed up the business of the government and of parliament it would have saved a lot of the taxpayers' money, and I would say O.K. However, every time that the government has moved to go into supply the leader of the opposition has stood up and put forward an amendment. I have not counted the number of times he has done so, but they run to a baker's dozen.

So far as the leader of the C.C.F. (Mr. Coldwell) is concerned, I do not think that postponing the commencement of morning sittings for one week matters very much. Why waste time discussing the question of allowing one more week before putting morning sittings into effect? I believe we should get down to business and try to carry on. If we do not have the proper number in the house on any occasion, then we can call for those who are attending committees.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, the Prime Minister (Mr. St. Laurent) made reference to the fact that the committee on old age security has been holding a number of its meetings in the afternoon. He mentioned that in answer to the reference of the leader of the opposition (Mr. Drew) and the hon. member for Rosetown-Biggar (Mr. Coldwell) to the fact that it was one of the important committees now sitting. It is true, as the Prime Minister indicated, that a number of its meetings are held commencing at four o'clock in the afternoon while the house is sitting. As a matter of fact our recent practice has been to hold meetings at four o'clock in the afternoon three days a week, but we also meet at eleven o'clock in the morning two days a week. One of the reasons that we have to hold some of our meetings in the afternoon is that so many committees are sitting that there are not enough rooms or reporters available for them all to meet in the morning. I suggest if the house starts to sit in the morning as well it will make it most complicated and difficult for these important committees to complete their work. So far as the committee on old age security is concerned, we are reaching the most important stage of our deliberations—

Some hon. Members: Question.

Mr. Knowles: —and to interfere with its work at this time is not fair to members of

the committee. The hon. member for Matapedia-Matane (Mr. Cote) and others who are shouting "question" now seem to think that the chief aim of parliament is to get through and to go home. If hon. members simply want to go home, why did they not stay there in the first place? The job of parliament is to deal with the business of the country. I think the notion that shortening the session of parliament is our chief aim is completely wrong. Our task is to deal with the business of the country. Those whom the hon. member for Fort William (Mr. McIvor) lauds for sitting still should consider whether they are attending to the business that they were sent here to deal with.

Mr. Sinclair: You go to the other extreme and talk too much.

Mr. Cote (Matapedia-Matane): On a point of order, I do not think the hon. member for Winnipeg North Centre (Mr. Knowles) should impute any motive to me from what I said. My remarks were not made for the reason he suggests. I think we have been here long enough, and I think the hon. member is one of those most responsible for not having finished the business of the house.

Mr. Knowles: I did not catch all that the hon. member said, but if he said that I am one of the most responsible members, it would hardly be fair for me to quarrel with him.

Mr. Cote (Matapedia-Matane): You are responsible for our being in this spot.

Mr. Knowles: Mr. Speaker, there is one other point I wish to make. As long as I have been here, it has been the practice for some consultation to take place amongst the various parties before such a motion as this is put upon the order paper. Either the Prime Minister has got in touch with the leaders of the other groups, or the government whip has got in touch with the whips of the other parties. Sometimes the house leader has done so. I know that on several occasions in the past the Minister of Public Works (Mr. Fournier), as house leader, has suggested a certain date to us, and we have objected to it and suggested a later date. Nevertheless we were able to reach a compromise, and then there was no delay when the matter came before the house. On this occasion the motion was simply put on the order paper. Certainly nobody in this group had any suggestion made to him about it, and there was no consultation at all so far as we are concerned. The other groups will have to speak for themselves, but I doubt if they were consulted either.

Mr. Gauthier (Sudbury): The rump was consulted.

[Mr. Knowles.]

Mr. Knowles: I have not heard of any consultation taking place this session with respect to this matter. One of the things that is wrong with this parliament and its overwhelming majority is this notion—

Some hon. Members: Hear, hear.

Mr. Knowles:—that whatever they want they can have without consulting those who happen to be in the minority groups. Since the motion would not go into effect until Thursday, and since my leader's amendment would not go into effect until a week from Thursday, I suggest to the Prime Minister that the proper thing for him to do now is to have the debate adjourned—

Some hon. Members: No, no.

Mr. Knowles:—and let there be a conference among representatives of the parties to see if we cannot work out some reasonable arrangement. Members on the government side, Mr. Speaker, are always crying for co-operation, but they sit here with their majority of 190 or so and think that co-operation means that the minority should always agree with them.

Hon. Humphrey Mitchell (Minister of Labour): Mr. Speaker, when I was a boy in the navy we had a favourite saying that empty vessels make the most sound. I think that some of the reflections cast upon hon. members were uncalled for. Generally speaking I believe that members of the house without exception pay attention to their duties. If some of us spoke as much as some members—

Mr. Sinclair: One member.

Mr. Mitchell:—it would not be sufficient to extend our sittings two hours a day; we would need twenty-five hours every day seven days a week. My hon. friend says that we want to go home. Of course we do. I am dreaming of a white Christmas. There are some members who think that the destiny of the nation spins around the fact that they are members of the House of Commons. I have seen a good many people come here and go like ships that pass in the night. I am convinced that the quicker we get down to work the better it will be. If hon. members cannot get up in the morning, that is their business, not the business of the government. Let them get down here and get to work. You are not fooling the Canadian people, you know; the only people you are fooling are yourselves. Let us vote for or against this motion, irrespective of the part of the house in which we sit, and then for goodness' sake let us get down to business and do some work this afternoon. It is ten minutes after four already, and we have done nothing yet.

The house divided on the amendment (Mr. Coldwell) which was negatived on the following division:

YEAS

Messrs:

Adamson	Harkness
Argue	Herridge
Balcer	Hodgson
Black (Cumberland)	Jones
Blair	Knight
Bryce	Knowles
Casselman	Lennard
Coldwell	Macdonnell (Greenwood)
Diefenbaker	McLure
Drew	Noseworthy
Fleming	Pearkes
Fulton	Ross (Souris)
Gillis	Stanfield
Green	Stewart (Winnipeg North)
Hansell	Wright—30.

NAYS

Messrs:

Abbott	Langlois (Gaspe)
Applewhaite	Lapointe
Ashbourne	Leger
Bater	Lesage
Beaudoin	Little
Bennett	MacDougall
Bertrand	MacKenzie
Blackmore	MacLean (Cape Breton North and Victoria)
Blanchette	MacNaught
Boisvert	McCulloch
Boucher	McCusker
Bradette	McDonald (Parry Sound-Muskoka)
Bradley	McIvor
Brisson	McLean (Huron-Perth)
Bruneau	McWilliam
Byrne	Major
Campney	Martin
Carroll	Masse
Carter	Matthews
Cauchon	Maybank
Cavers	Mitchell
Cote (Matapedia-Matane)	Mott
Croll	Mutch
Cruickshank	Pouliot
Dechene	Prudham
Decore	Quelch
Dewar	Richard (Ottawa East)
Dickey	Roberge
Dube	Robinson
Fair	Rooney
Ferrie	St. Laurent
Fournier (Hull)	Shaw
Gardiner	Simmons
Garson	Sinclair
Gauthier (Sudbury)	Smith (Queens-Shelburne)
Gauthier (Portneuf)	Smith (Moose Mountain)
George	Stewart (Yorkton)
Gibson	Stick
Gingues	Studer
Goode	Thomas
Gosselin	Tustin
Gregg	Viau
Harris (Danforth)	Warren
Harris (Grey-Bruce)	Weaver
Harrison	Weir
Healy	Welbourn
Helme	White (Hastings-Peterborough)
Henderson	Winkler
Hetland	Winters
Homuth	Wylie—104.
Jutras	
Kent	
Kirk (Digby-Yarmouth)	
LaCroix	

Mr. Smith (Calgary West): Mr. Speaker, I was paired with the hon. member for Edmonton East (Mr. Macdonald).

Mr. Speaker: Shall the main motion carry?

Some hon. Members: On division.

Main motion (Mr. St. Laurent) agreed to on division.

NORTHWEST ATLANTIC FISHERIES

APPROVAL OF INTERNATIONAL CONVENTION SIGNED AT WASHINGTON, FEBRUARY 8, 1949

Hon. Alphonse Fournier (for the Minister of Fisheries) moved:

That it is expedient that the houses of parliament do approve the ratification, without reservation, of the international convention for the northwest Atlantic fisheries, signed in Washington on February 8, 1949, but subject to the observation that ratification by Canada of the convention extends to Newfoundland and that any claims Canada may have in regard to the limits of territorial waters or to the jurisdiction over fisheries, particularly as a result of the entry of Newfoundland into confederation, will not be prejudiced, and that this house do approve same.

Mr. J. W. MacNaught (Parliamentary Assistant to the Minister of Fisheries): Mr. Speaker, the northwest Atlantic area has been, during several centuries, an important fishing ground for the nationals of North American and western and southern European countries. Recognizing the need for scientific investigation and protection of the fishery resources of this area, Canada, the United States of America, Great Britain, Newfoundland, France, Spain, Portugal, Iceland, Denmark, Norway, and Italy signed the international convention for the northwest Atlantic fisheries following a conference in Washington in February, 1949.

The convention provides for the establishment of a commission on which all contracting governments will be represented, and separate panels with jurisdiction over defined sub-areas in which governments with particular fishing interests will have representations. The over-all area covered by the convention is divided into five sub-areas. These areas generally cover the waters off the west coast of Greenland, and the waters off the coasts of Labrador, Newfoundland, Nova Scotia and the New England states of the United States. Provision is made in the convention to safeguard any claims to territorial waters, or jurisdiction over the fisheries of the contracting parties.

The primary functions of the commission under the convention will be to collect, collate and disseminate scientific information on international fisheries in the convention area. The commission has no regulatory powers, but any panel may transmit, through the commission to the governments represented on

such panel, recommendations for joint action of a regulatory nature in respect of those stocks of fish that support international fisheries.

The permanent seat of the commission will be in North America at a place to be determined by the commission. The convention will enter into force upon ratification by any four signatory governments. The convention has now been ratified by Great Britain, Iceland and the United States. It would accordingly come into force upon deposit of the instrument of ratification by Canada.

At the Washington conference which adopted the convention, Newfoundland was represented by a separate delegation, and the convention was signed "for His Majesty's government in the United Kingdom and the government of Newfoundland in respect of Newfoundland." The United Kingdom government, in depositing their instrument of ratification, drew attention to the fact that their ratification did not include ratification in respect of Newfoundland. When the Canadian government ratifies this convention an observation will be attached to our instrument of ratification, making clear that the ratification covers Newfoundland, and pointing out that the provision in the convention safeguarding any claims to territorial waters has taken a broader meaning as far as the Canadian government is concerned since Newfoundland has been united with Canada. This observation will therefore assert that the Canadian ratification is on the basis that the provision referred to above entirely protects all claims to territorial waters and jurisdiction over fisheries, particularly as a result of the alteration in the Canadian boundaries that has taken place by the joining of the tenth province.

Motion agreed to.

HALIBUT FISHERY

APPROVAL OF CONVENTION FOR EXTENSION OF PACIFIC COAST PORT PRIVILEGES SIGNED AT OTTAWA, MARCH 24, 1950

Hon. Alphonse Fournier (for the Minister of Fisheries) moved:

That it is expedient that the houses of parliament do approve the ratification, without reservation, of the convention for the extension of port privileges to halibut fishing vessels on the Pacific coasts of the United States of America and Canada, signed at Ottawa on March 24, 1950, and that this house do approve same.

Mr. J. W. MacNaught (Parliamentary Assistant to the Minister of Fisheries): The convention provides for reciprocal port privileges to be granted to halibut fishing vessels of Canada and the United States in the ports on the Pacific coasts of each country. The privileges are:

(1) to land their catches of halibut and sablefish without the payment of duties and

(a) sell them locally on payment of the applicable customs duty;

(b) transship them in bond under customs supervision to any part of either country; or

(c) sell them in bond for export; and

(2) to obtain supplies, repairs and equipment, subject to compliance with applicable customs and navigation laws of either country.

These privileges which have been granted heretofore on an annual basis by special legislation will now be made available to the halibut fishermen of both countries on a continuing basis, so that in advance of the fishing season the fishing industry will be assured of the privileges that will be available.

In addition, the convention will alter the present practice in one other respect. It will extend the reciprocal port privileges to Canadian halibut vessels in ports of the United States proper, whereas at present these privileges are granted only in the ports of Alaska.

The convention will continue for an indefinite time, but can be terminated by either government upon 12 months' notice.

A recent survey of the opinion of the fishing industry on the Pacific coast indicated general support in favour of the treaty.

Mr. E. T. Applewhaite (Skeena): Mr. Speaker, I wish to speak briefly in support of this resolution providing for the adoption of the treaty which deals with reciprocal port privileges for fishermen of the Pacific coast. But before dealing with the treaty itself, may I be permitted to make one other observation. This convention was signed on March 24 last for Canada by R. W. Mayhew and for the United States of America by the late Laurence A. Steinhardt. I wish to take just a moment to pay my little tribute to that outstanding gentleman, one of whose last official acts was the signing of this convention. We on the Pacific coast had the pleasure of meeting His Excellency and discussing with him several matters relative to fishing, Alaska and other subjects; and I know that I am expressing the feelings of all my people who met him when I say how deeply we regret his loss.

With reference to the convention itself, for the fishing people of my district I welcome this convention. As a Canadian, I welcome it as just another of the many examples of good neighbourliness between ourselves and

the United States. As has been said, this convention is similar to an agreement already in force applicable to British Columbia and Alaska ports; but it extends the operation of the agreement to the Pacific coast ports of the United States proper. I hope that this convention will be lived up to fully by both countries; and it is just on that point that I want to take a minute or two of the time of the house.

Articles I and II are the operative articles. They are similar except that article I refers to the privileges we are granting to American vessels and article II refers to the privileges of Canadian vessels in American ports.

Article II reads as follows:

Fishing vessels of Canada engaged in the north Pacific halibut fishery only shall, subject to compliance with applicable customs and navigation laws of the United States of America, have the privileges in the ports of entry of the United States of America:

(1) To land their catches of halibut and sablefish without the payment of duties and

(a) sell them locally on payment of the applicable customs duty;

(b) transship them in bond under customs supervision to any port of Canada; or

(c) sell them in bond for export; and

(2) To obtain supplies, repairs and equipment.

I wish particularly to draw the attention of the parliamentary assistant to those words "halibut fishery only" which appear in the opening lines of the article. I know that later on it grants the privileges of landing halibut and sablefish. I am not for one moment suggesting, Mr. Speaker, that there was anything but the best of good faith on the part both of the United States and of Canada when this convention was negotiated and signed. But customs officers, both American and Canadian, cannot all be experts on fish nor experts in reading legal documents. Any customs officer or port official, suddenly and for the first time faced with a case under this treaty, might quite easily glance at these words "halibut fishery only" and come to the conclusion that the treaty applies to halibut only. Like myself, he might not know what sablefish includes. He might not know that it included cod.

This is not just a theoretical fear. About two years ago a case occurred in connection with this treaty before it was extended beyond Alaska. My recollection of that case is that a Canadian vessel put into the port of Sitka and was refused permission to land ten thousand pounds of cod, but she was partly disabled and unable to proceed. The matter was taken up with the appropriate authorities; but fresh cod does not remain fresh cod while awaiting the outcome of negotiations between Washington and Ottawa. Eventually, I understand, instructions were issued pointing out to the Alaska customs officials that their decision was in error. But in the meantime the cod had had to be dumped, a total loss. My request to the parliamentary assistant is that the Department of Fisheries, in conjunction with the Department of External Affairs, or whatever other authorities are proper, shall make absolutely certain that the customs and port officials will know just what this convention does mean. Inasmuch as fish, as I have said, is such a perishable product, it is essential that these officers be fully briefed before any occasion arises to use the advantages of the treaty. Before this short debate is concluded, when he closes it, I would ask the parliamentary assistant to give us an assurance on that point.

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

Motion agreed to.

INTERNATIONAL LABOUR ORGANIZATION

APPROVAL OF EMPLOYMENT SERVICE CONVENTION ADOPTED AT SAN FRANCISCO, JULY 9, 1948

Hon. Humphrey Mitchell (Minister of Labour) moved:

That it is expedient that parliament do approve of convention No. 88, employment service convention, 1948, which was adopted by the general conference of the international labour organization at its thirty-first session at San Francisco on the ninth day of July, 1948, and that this house do approve of the same.

He said: The purpose of this resolution is to obtain the approval by parliament of an international labour convention passed by the general conference of the international labour organization at San Francisco at its thirty-first session in June, 1948. This convention, No. 88, is designated the employment service convention, 1948. Copies of the text have been distributed to hon. members. Upon approval of its terms by parliament, the government proposes to proceed to the ratification of the convention.

Convention No. 88 provides that each member state ratifying the convention shall maintain a free public employment service, consisting of a national system of employment offices under the jurisdiction of a national authority. The duty of the employment service shall be to ensure the best possible organization of the labour market, in co-operation with other public and private bodies concerned. Co-operation of employers and workers shall be secured through national, regional and local advisory committees.

The organization of the employment service shall be so arranged as to assist workers to find suitable employment and to assist employers to find suitable workers on a voluntary basis. It shall also facilitate the movement of workers to areas with suitable employment opportunities, shall collect and make available information on the employment market, co-operate in the administration of unemployment insurance and other measures for the relief of the unemployed, assist in social and economic planning to ensure a favourable employment situation, and by vocational guidance endeavour to meet adequately the needs of particular categories of persons, such as disabled persons and young persons.

The Canadian representatives at the San Francisco conference voted for the approval of this convention.

It will be evident, I think, to all hon. members that Canada is already in full compliance with the provisions of the convention. Under the provisions of the Unemployment Insurance Act, we have established and are operating a national employment service in conjunction with the unemployment insurance provisions of the act. The nature and standards of service provided by the national employment service under the act are certainly at least as high and as complete as those laid down in the convention.

The opinion of the law officers of the crown is that it is within the legislative competence of parliament to give effect to this convention, and no new legislation is required for this purpose.

The convention has already been ratified by the United Kingdom, Australia, New Zealand, Norway, Sweden and Bulgaria.

In my opinion, Canada should proceed to the ratification of this convention for the reason that in the provision and operation of our national employment service we have given effect to the convention, and to indicate Canada's approval of its objectives and thus to give leadership and support to higher international labour standards, and for the establishment of similar services in other countries.

Perhaps I should explain just what obligations follow upon the ratification of an international labour organization convention by a member state. When the formal ratification has been communicated to the director general of the international labour organization, the ratifying state is required to take such action as may still be necessary to give effect to the provisions of the convention within the state by the enactment of legislation or otherwise, if this has not already been done.

[Mr. Mitchell.]

Each of the states ratifying the convention agrees to make periodic reports to the international labour office on the measures which it has taken to give effect to the provisions of the convention. In short, a member state ratifying a convention undertakes an obligation that the provisions of the convention shall be given continuing effect in that its legislation and practice on the subject are on a level at least as high as the standards set by the provisions of the particular convention.

Mr. A. L. Smith (Calgary West): Mr. Speaker, I wish to add only a sentence. We regard this as a commendable international effort to find a minimum base—I think no one suggests it is any more than that—from which fair legislation may grow. I am happy to know that we in Canada and in the various Canadian provinces have gone a long way—in fact we have shown leadership—in establishing such a base.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I have just a few words to say. In fact, I agree with what has been said by the hon. member for Calgary West (Mr. Smith), namely, that we regard the international labour organization as one of the most valuable pieces of international machinery established thus far. It has survived the test of a good many years as an international organization. We feel, too, that the means whereby the ILO works is a very useful and practical one, namely, that of having conventions considered and ratified at ILO conferences, following which that ratification is confirmed by the various countries represented.

This particular convention concerning employment services does seem to be one that is highly desirable to be laid down as a minimum for all countries that belong to the international labour organization. I think we would agree that Canada has gone at least some distance in pursuit of the principles laid down in this convention.

I realize, Mr. Speaker, that this is one of those motions for which there is only one stage of debate. When this motion carries, that is the end of it so far as this house is concerned. But the minister can close the debate, and I would like, if I may, to ask a couple of questions—rhetorically—and perchance the minister would be good enough to answer them. My first question is this: First of all, does the government feel that there are any further steps that it will have to take, after it deposits the ratification of this convention, to make sure that Canada is

living up to all of the terms of this convention? My second question is: Are there any outstanding ILO conventions which Canada has not yet ratified?

Mr. Mitchell: Mr. Speaker—

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

Mr. E. G. Hansell (Macleod): Mr. Speaker, I am not so enthusiastic about the ratification of this convention as some other hon. members seem to be, although I am not going to object seriously to it. I have a background which perhaps largely governs my thinking, and I must confess that I always look a little askance at the possibility of entangling ourselves with international organizations. I know that today civilization has reached a place where no nation lives unto itself. Nevertheless the tendency all around us in these days is to give to some outside body authority which belongs to us over our own affairs. I have never been able to bring myself to believe that is a wise move at any time.

While I am desirous that all nations should co-operate one with another, I believe we are headed for trouble if we put authority in the hands of any international body which would in any way eventually impose its will upon any individual nation.

Now, Mr. Speaker, paying some little attention to this particular convention, I must say that I am disappointed we did not have this printed or mimeographed document presented to us before. It was lying on our desks when we came here at three o'clock. The motion to adopt it was moved just a few moments ago. Between three o'clock and four-thirty our minds have been engaged in other matters. What opportunity have we had, as members of parliament, to read this convention in the last hour and a half? Yet we are now called upon as the parliament of Canada to ratify it.

I believe this could have been done tomorrow or on a subsequent day, and that a convention of this kind might well have been sent to the committee on industrial relations for further study. As the convention is not greatly involved, perhaps it has been considered unnecessary to send it to that committee. However, there may be underlying it certain principles a committee would have had an opportunity to consider in greater detail than can be expected in this house at the present time.

As I have glanced at it here and there in the last short while, it appears to me that Canada has already gone as far as this convention would go in respect of the management of our own labour problems. We have done this through the medium of the various employment offices across the country, and have been doing it for some years. In my view those employment offices have been doing a good job. While I have been in touch with only one or two of them, I have no fault to find, and would commend them.

I believe I am not far wrong when I say that at the international labour conference held at San Francisco they spent a great deal of time and energy, and must have spent a large sum of money, in attempting to do something Canada has already done. That is the way I feel about it; and there is no reason in the world why any other nation could not have done the same thing without necessarily subscribing to a convention of this kind. Those are my personal feelings in the matter.

As I look through the convention, about the only feature of an international nature I can find is that which appears at page 2, as article VI (b) (iv), which refers to facilitating the movement of workers from one country to another, as approved by the governments concerned. I had to read all the way down to that sentence to learn what the international aspect was. Up to that point it described only something we have already done.

I call the attention of the house to article V on page 2 which states:

> The general policy of the unemployment service in regard to referral of workers to available employment shall be developed after consultation of representatives of employers and workers through the advisory committees provided for in article IV.

As I read that, I thought I had never seen the word referral before. I do not claim to be a grammarian—indeed, sometimes I think I murder the King's English—but in this instance I called for the dictionary that is usually kept on the Clerk's table. It is the Concise Oxford Dictionary, and I find it does not contain the word referral. Therefore I am still at a loss to know what it means. I fancy it is a word which has been cleverly coined, and that its actual meaning is to transfer. When we talk about the transfer of workers it connotes to us something that might be dangerous in a free country like Canada.

When it comes to matters of employment, I believe we must view them from the standpoint of the obvious fact that we are living in a civilization moving at such a rapid pace that we have passed the day when we can think and talk in terms of full employment. Therefore we have to devise other means and think of things in terms other than those of simply putting everybody to work. Governments will be faced with almost insurmountable difficulties—I was going to say

impossibilities—in an age such as that in which we live, where we have technological advances which are continually putting people out of work, an age in which we encourage technological advancement. We do that on the one hand, and then on the other we talk in terms of full employment.

I remember a lobbyist coming to my office some few years ago and asking me a number of questions. I felt I should have been the one asking the questions, but it was he who began the questioning by asking, "Do you believe in full employment, Mr. Hansell?" "Well," I said, "you tell me what you mean by full employment. Define your term." I continued, "When I was a boy my father used to get up with the chickens, work hard all day, and perhaps go to bed at dusk. He did that six days a week. I suggest to you that that would be full employment. Is that what you mean?" Oh no, he did not mean that. Labour organizations usually work eight hours a day, and he fancied that eight hours a day for six days a week would be full employment. I said, "No, I do not believe in that sort of full employment. I believe in six hours a day; I believe in four hours a day. What do you have to say to that?" He said, "Well, that would be very nice if we as workers could get by with working four or six hours a day, but I am afraid we would not be able to earn enough money working that number of hours." I said, "That depends on how much an hour you are getting." He said to me, "Well, of course, a man getting $1 an hour and working eight hours a day would get $8 a day, and if he were only working four hours he would only get $4 a day." I said, "Yes, that is a very profound observation." He said that he would not be able to live on that. I said, "Suppose the whole industrial machinery of the country working four hours a day should produce an overabundance of things. What then? If there were a possibility of augmenting your wages in some other way in order that you might have the advantage of the great production of the nation, would that not do?" He said, "I suppose it would, but is there any way that can be done?" I said, "I will tell you what to do. You call on Mr. King and ask him if he has a way he can suggest. Then after that call on Mr. Bracken and ask him if he has any way in which to handle a thing like that. When you are through with him call on Mr. Coldwell and ask him if he has any way of overcoming that difficulty. When you find they have no way then come back to me and we will talk a little further about it."

[Mr. Hansell).]

I have not seen the gentleman since but I think I can draw some rather correct conclusions. Returning to the document, I should like to suggest—and I say this purely on my own responsibility—that after the international labour organization has brought industry and labour into the position of a socialist state they will have all the stage work done for Uncle Joe. I see in this document something respecting the transfer of workers. That is exactly what Stalin would like us to have. I see no difficulty in the way of each country being able to run its own industrial organization in a co-operative way with one country learning from another. My profound conclusion is that the more we tie our hands to an international authority the less authority we shall have over the management of our own affairs.

Not so long ago we listened in the house to the pipe lines debate which took a long time to finish. The press and others referred to it as a filibuster. I am not debating that now, but there was one note sounded in that debate, and I have no objection to its being sounded. The view was expressed that we were taking our natural resources and giving them away to another nation. In the first place we were not giving them away. If we had any natural resources to dispose of we were selling them. That is one place where a mistake was made in the phraseology because we were not giving anything away. In some quarters of the house the measures were vigorously opposed because, so they said, we were giving away some of our natural resources. It was said that we must not do that, but when it comes to international organizations we can give away our freedom as fast as you like, and no objection is raised to that. I would rather sell our natural resources to another nation than give away some of our sovereignty, thus rendering us less free to manage our own affairs.

I simply warn of the danger of entangling ourselves with international organizations which will have the effect of outside authorities telling us how to run our own business and we shall not be able to tell them to mind their own business. That is the way I feel about these questions. As I said before, I see nothing particularly harmful in this convention, because I think we are several jumps ahead of it. In Canada we have already established our local employment offices that are able to do a good job. Let other nations take a leaf from the management of our affairs and do likewise.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I rise to support this document and

the remarks made by the hon. member for Winnipeg North Centre (Mr. Knowles). I do not take the pessimistic view of these international arrangements that the hon. member for Macleod (Mr. Hansell) does. I believe it is a demonstration that nations can co-operate even under most difficult world conditions to produce something worth while and of mutual advantage. The document is the result of co-operative effort which the hon. member for Macleod has suggested should be undertaken. Even under today's difficult world conditions, when many people feel frustrated because of the difficulties experienced in reaching common agreement among the nations of the world, I am one of those who believe that it is better to light a candle than curse the darkness. I look upon this document, dealing as it does with the international labour organization, as a little candle in international relations in a somewhat dark world.

I rose particularly to ask the minister two questions. I notice the document was adopted on July 9, 1948. Why has there been such a delay in presenting it to the house? Second, the document was on our desks when we came into the house this afternoon. Why was it not made available a day or two before so that members might have had an opportunity to study it before the resolution was brought before the house?

Mr. Mitchell: Mr. Speaker—

The Acting Speaker (Mr. Beaudoin): Order. I must inform the house that if the minister speaks now he will close the debate.

Hon. Humphrey Mitchell (Minister of Labour): The international labour office is the oldest international organization in existence today. It was founded in 1919 in the city of Washington, U.S.A. I might point out to my hon. friend that at the Paris peace conference of 1918, under the chairmanship of Sir Robert Borden, the principles of this organization were enunciated, and eventually the ILO was established in Washington the following year. If I remember rightly Senator Robertson was one of the official delegates at that time. I forget the others, though I knew them quite well.

The hon. member for Macleod (Mr. Hansell) spoke of national sovereignty. I do not think anyone in this house is going to suggest that the sovereignty of this nation be given up to any other nation. This is merely a declaration, to establish a principle. I would point out also that this is a tripartite organization, consisting of representatives of employers, employees and the governments of the respective countries; and I believe that in a broad and general way it has had a tremendous influence on what might be called the more backward countries of the world, in raising the standard of employment conditions and other things we have taken for granted in this country down through the years. I think perhaps it has contributed more than any other international organization, whether it be political, financial or anything else. I am not going to get into an argument about the financial aspect, which was mentioned by the hon. member for Macleod. This is not the time or place for that debate.

The hon. member for Winnipeg North Centre (Mr. Knowles) asked whether any changes would be made to fit our system into this convention. I believe I made it clear in my opening statement that to my knowledge we are living up to all the provisions of the convention, and the hon. member may rest assured that from time to time the government will endeavour to increase the efficiency of the employment service of this country. As Canadians I think we can be proud of the speedy development of that organization. I lived through the agitation for it for thirty years, when the labour organizations of this country were violently opposing the maintenance of fee-charging employment agencies. Those of us who were close to the situation during those days know something of what that practice did to the working people of this country. This afternoon we have heard representatives of every party in the house, including the hon. member for Calgary West (Mr. Smith), the hon. member for Winnipeg North Centre, the hon. member for Macleod and the hon. member for Kootenay West (Mr. Herridge), agree that this convention should be adopted, so that would seem to be the thought of every party here.

My hon. friend asked why this resolution was not introduced last year. That was not done for the simple reason that last year we had a situation somewhat similar to the situation developing this year. There is a limit to human endurance. The hon. member for Winnipeg North Centre smiles. That is the easiest thing in the world to do when you have no responsibility. Let me remind the hon. member that it costs more than $6,000 for every minute this house is in operation. I wish someone who has more leisure than I would count the time some hon. members have taken up in this house and multiply it by six thousand. I am a great believer in the British way of discussion. I think a better speech can be made in ten minutes than in forty minutes, and if

you cannot say all you know about a subject in twenty minutes you do not know anything about it. The hon. member for Macleod was speaking about long words, and I forget the one he used; but I am a great believer in basic English. When you are in a jam, use a long word to get yourself out of it. No one will understand it, including yourself.

Then I was asked why this document had not been circulated before this. Well, it is a public document, and I believe the basic principles were carried in the *Labour Gazette*. As an afterthought it occurred to me that it might be circulated to hon. members today. I do not believe it would have made any difference if it had been circulated earlier, because we are all agreed upon the soundness of the principles under discussion. The hon. member for Winnipeg North Centre asked what interest the government had taken in the I.L.O. As a federal parliament we have so far approved twelve conventions. Anyone who has followed the work of the I.L.O. closely knows the difficulties that occur in what we call a federal state. They have the same problems in the United States, Australia, and other countries in connection with the approval of these conventions. In the United States and Canada hours and wages, for instance, come under the jurisdiction of the state and provincial governments. In Australia there is also divided authority on labour relations, and the same might be said of South Africa. There is one reason we have not approved as many conventions on paper as some other countries. Anything works on paper, but I like to see a plan in operation day after day. I seem to recall that prior to the last war the nation that had adopted the most conventions at the I.L.O. was Roumania, but I do not hear of anyone in Canada wanting to live in Roumania. I have some knowledge of many Roumanians who want to come to Canada, and I do not blame them. I believe the adoption of any policy by a deliberative assembly like this house should be based upon the practical application of that policy to the lives of the people to whom we are responsible.

I do not believe there is much more I can say, except to remind hon. members that the I.L.O. will be in session next month in Geneva. I wish I could be there; I hear someone say they wish they could see me there. In all my years as Minister of Labour I have not attended a convention of the I.L.O. outside this country. Mine is a busy department, as hon. members know, and I have never had that opportunity. Some day I would like to attend a meeting of the I.L.O. in Geneva, representative as it is of more than fifty nations and making, as it does, a great contribution to the lives of the men and women who work on the farms, in the mines, in the industry and commerce of the countries affiliated with it.

Mr. Knowles: Before the minister sits down I should like to thank him for the answers he gave to some of our questions. I am not sure that he gave a complete answer to my question as to whether there were any outstanding conventions of the I.L.O. which Canada has not endorsed. He made reference to the conventions respecting wages and hours. Are there any others?

Mr. Mitchell: I am speaking from memory, and I would not want to mislead my hon. friend or the house, but I rather fancy there may be one or two. However, they do not come within the jurisdiction of my department.

Motion agreed to.

FLOOD CONDITIONS

SOUTHERN MANITOBA—TAX EXEMPTIONS ON RELIEF FUND CONTRIBUTIONS

On the orders of the day:

Mr. J. A. Ross (Souris): I should like to direct a question to the Acting Minister of National Revenue. Is the minister now prepared to make a considered statement in answer to a question I asked on May 24 as reported at page 2800 of *Hansard*, namely:

Will consideration be given to the request of the Canadian Chamber of Commerce that contributions to the Manitoba flood relief fund be exempted from taxation over and above the five per cent now allowed corporations and the ten per cent allowed individuals?

Hon. Robert H. Winters (Acting Minister of National Revenue): Mr. Speaker, the act covers the circumstances I reported to the house in *Hansard*, page 2423. If anything more is to be done, it will come within the jurisdiction of my colleague the Minister of Finance, who is aware of my hon. friend's request and is giving it consideration.

LABOUR CONDITIONS

PRINTING BUREAU EMPLOYEES—OPPORTUNITY TO APPEAR BEFORE PRINTING COMMITTEE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): In the absence of the Secretary of State, may I direct a question to the chairman of the committee on printing? I refer to the hon. member for Fraser Valley (Mr. Cruickshank). Will the request of the Ottawa typographical union for one or more of their representatives to appear before the committee on printing to discuss matters relating

to wages and working conditions in the printing bureau now be given favourable consideration?

Mr. G. A. Cruickshank (Fraser Valley): Mr. Speaker, according to the rules of the house there must be a reference from the house to the committee requesting the committee to study matters pertaining to government printing. This is a joint committee of the house and the Senate, so I can only speak for myself as one chairman of the committee, and without having consulted the joint chairman or my colleagues, but I can assure the hon. member that so far as I am concerned the committee will give every consideration to any matter affecting government printing which is referred to it by the house.

CUSTOMS ACT

AMENDMENT WITH RESPECT TO APPEALS TO TARIFF BOARD, ETC.

Hon. Robert H. Winters (Acting Minister of National Revenue) moved the second reading of Bill No. 237, to amend the Customs Act.

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

Section 1 agreed to.

On section 2—*Repeal.*

Mr. Fleming: Mr. Chairman, section 2 proposes to repeal three provisions of the present act. It proposes to repeal section 43(3), section 43A in its entirety, and section 47(4). In what I have to say I have no quarrel with the proposal to repeal section 43A or section 47(4), but I do submit that the proposal to repeal section 43(3) is unfortunate, and would be a retrograde step.

The purpose or effect of section 43(3) is to confer a right of appeal to the tariff board from certain decisions of the minister under the Customs Act. The other provisions of that section, namely, subsections 1 and 2, empower the minister to fix arbitrary values in certain cases. The effect of subsection 3 of section 43 is to confer a right of appeal from such decisions of the minister. The purpose of clause 2 of the bill, that is the part of it I am now discussing, is to eliminate in its entirety the right of appeal from the decision of the minister to the tariff board. I submit that there is no reason for eliminating that right of appeal.

The jurisdiction of the tariff board on such appeals is limited to confirming or lowering the artificial value fixed by the minister under an earlier subsection than section 43. It cannot raise such value. If one looks at the explanatory note opposite section 2 of the bill, one finds the following words:

> Subsection 3 of section 43 was enacted in 1937 to implement a trade agreement with the United States which is no longer in effect.

Whether or not that explanation is correct, sir, in so far as it goes it is only an explanation as to how this section came into the act in the first place. I do not know whether that was the only circumstance that led parliament to enact section 43(3) in 1937, but I do know that, the section being in the act, there is nothing in the explanatory note that calls for its repeal. We are simply told that the circumstances which called the section into being in 1937 have passed, that particular agreement with the United States being no longer in effect. This section giving the right of appeal to the tariff board is a sound remedial provision, and no reason for its repeal has been given.

This right of appeal was exercised last year in one case, and I might inform the committee that in that case the tariff board upset the decision of the minister by reducing the amount of the artificial valuation which the minister had fixed under the powers conferred in the earlier subsections of section 43.

In my submission, sir, this question is not affected in the least by the Geneva agreement. If we were dealing with any question in relation to the Geneva agreement, the whole of section 43, including the two earlier subsections, would be immediately called into question under the existing protocol of provisional application of the Geneva agreement which Canada has signed. The provisions of part II of the agreement need only be applied "to the fullest extent not inconsistent with existing legislation." This is such existing legislation. Article VII, subsection 2(a), of the Geneva agreement reads as follows:

> The value for customs purposes of imported merchandise should be based on the actual value of the imported merchandise on which duty is assessed, or of like merchandise, and should not be based on the value of merchandise of national origin or on arbitrary or fictitious values.

There is nothing in the explanatory note to indicate that that was in the mind of the draftsman of this section of the bill. If it were, if that is to be the reason given for bringing forward this legislation, I have to say that in the first place the article is not fully in effect because of the existing protocol of provisional application to which I have referred. In the second place even if it were being applied as to the signatories of the Geneva agreement, it certainly would have

no application to any of the other countries in the world. It happens to have been one of those other countries whose exports to Canada were involved in that case to which I referred as having been appealed to the tariff board from the minister's decision last year.

There are other nations that would be affected by this, and what will be the effect if we legislate as proposed here? Those affected by the decisions of the minister under the earlier subsections of section 43 will be deprived of the right of appeal to the tariff board. In my submission there is no reason at all for depriving any such person of the salutary right of appeal to the tariff board. Surely we believe in the tariff board. It is an existing institution under existing legislation of this parliament. According to today's order paper there is to be an amendment introduced to the Tariff Board Act dealing with the procedure before the tariff board. The tariff board is surely here to stay. Then why should we deprive persons who are affected by decisions of the minister in fixing an artificial value on imports of their right to appeal to the tariff board? If the tariff board is a salutary institution, and if this right of appeal to the board from decisions of the minister is a salutary institution, I submit there is no occasion whatsoever for repealing section 43, subsection 3, of the Customs Act.

Mr. Sinclair: This bill is a Department of National Revenue bill, not a Department of Finance bill. The point which the hon. member for Eglinton was attempting to make would be a good one if it were an appeal from a ruling of the department; that is, the deputy minister. Perhaps I should say a few words in general explanation to hon. members about the purpose of this particular section of the customs bill.

The present section 43 of the Customs Act gives the Minister of National Revenue the power to put a quite arbitrary value on the imports of goods if it is thought that the goods are being dumped and the effect is going to be prejudicial to the manufacturers of Canada. On that artificial value of course is then levied the ad valorem rate of duty and whatever dumping duty would apply. As the hon. member for Eglinton pointed out, the Geneva agreements removed that type of artificial fixing of prices from our tax structure as it affects those countries signatory to the Geneva trade agreements. It is, however, still necessary to have such a protection amongst those countries which did not, either by choice or for other reasons, take part in the Geneva agreements. I think perhaps I should give a list of the countries in connection with whose trade we still think it is necessary for Canadian industry to have this protection. They are Abyssinia, Afghanistan, Anglo-Egyptian Soudan, Arabia, Bulgaria, Egypt, the eastern zone of Germany, Honduras, Hungary, Iran, Iraq, Japan, Peru, Roumania, Russia and Siam. It is not the deputy minister of national revenue—that is, the department—who actually assesses or fixes this arbitrary value as a matter of departmental administration. It is a serious step to put on such a value, and so is a matter of government policy. The matter is first of all discussed in council, and the governor in council passes an enabling order specifying, first of all, the goods and secondly the country of origin. Then under this authority the Minister of National Revenue issues a specific order fixing the arbitrary price which is going to be set on the goods in question. This section of the bill now does remove the right of appeal to the tariff board from such an action by the minister. We still have that full right of appeal from departmental rulings, and we are extending the field of these appeals to include other interested parties.

There is a great difference between an appeal to the tariff board from a departmental ruling by the deputy minister of customs and excise and an appeal to the tariff board from a matter which has been discussed by council, which has been followed up by an order in council setting out government policy and then by a specific order from the minister. It puts the tariff board in an impossible position to be asked to rule in the latter circumstances; and because of that, this change is being made. This legislation now affects only those countries which I have listed, and will be used only as a protection for Canadian industry against dumping at unfair prices by producers of those countries.

Mr. Fleming: I thank the parliamentary assistant for his statement because I think that everything he has said has strengthened the case I am putting before the committee for retention of the existing right of appeal under section 43, subsection 3. Let us be quite clear about this. In the first place, Mr. Chairman, we are not discussing the power given to the minister to set an arbitrary or fictitious value for customs or anti-dumping purposes. These provisions are contained in the earlier subsections of this section. No one is proposing in any degree to interfere with those. Those stand and they do not come into this discussion in any way whatever. What we are discussing, and the one question before the committee now, is whether an existing right of appeal to the tariff board against such decisions should be eliminated.

The parliamentary assistant complained that we are putting the tariff board in an impossible position by retaining this right of appeal to them from a decision of the minister. That is a far-fetched argument to put before this committee when we know that last year, when an appeal was taken, under this subsection, to the tariff board, they upset the decision of the minister. What is so impossible about that? Apparently the tariff board is not worried about the embarrassment of sitting on an appeal from decisions of the minister under the earlier subsections of section 43. They felt quite at liberty in that case to upset the decision of the minister.

I think it is clear that what is bothering somebody here is not a question of the impossibility of the position of the tariff board. Somebody apparently feels that the minister's decisions are so infallible that they should not be subject to appeal. That, Mr. Chairman, is a theory that I cannot hold with at all. The minister, in exercising the powers given to him under this and other sections, is proceeding on an administrative basis, surely; and so far as he is exercising judgment, surely it is not unreasonable that that judgment should be open to appeal to a tariff board in which we all believe. If there was anything in this situation that demeaned the minister in exercising his right to make decisions under section 43, subsections 1 and 2, then this demeaning provision has existed for the last thirteen years in legislation of this parliament. Surely it is not going to demean unduly the minister and his prerogatives to allow that legislation to continue on the statute books.

It is sound legislation to protect a right of appeal to be taken to the tariff board in a situation of this kind. If you take away this right of appeal, you are saying in effect that there should be no right of appeal from a decision of the minister in a case of this kind, that the minister's judgment is final, and that he is infallible. As long as we have humans exercising these powers of judgment, there are bound to be mistakes, as was shown last year. Let us not take away from those affected a right of appeal in legislation in remedial form in this respect. Why take away from people a right they have today, which cannot be abused, and which does not hurt the government, but which exists and gives some protection to those who are affected by it?

Mr. Chairman, I move:

That clause 2 of the said bill be amended by striking out the words "subsection three of section forty-three of the said act as enacted by section six of chapter nineteen of the statutes of 1936.

May I explain that that refers to most of the first three lines of clause 2 of the bill. It does not affect clause 2 as to the repeal of section 43A and section 47(4), but it will retain in the act section 43, subsection 3, as it now stands and will preserve that salutary right of appeal to the tariff board.

Amendment (Mr. Fleming) negatived.

Section agreed to.

Sections 3 to 8 inclusive agreed to.

Title agreed to.

Bill reported, read the third time on division and passed.

TARIFF BOARD ACT

AMENDMENT WITH RESPECT TO APPEALS UNDER OTHER ACTS

Hon. Robert H. Winters (for the Minister of Finance) moved the second reading of Bill No. 236, to amend the Tariff Board Act.

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

On section 1—*Appeals under other acts.*

Mr. Fleming: Could we have some further explanation? The explanatory note states:

The purpose of this amendment is to clarify the procedural powers of the board with respect to appeals under the Customs Act and similar statutes.

It is not quite clear from a perusal of the bill and the explanatory note whether the effect is to enlarge or contract the jurisdiction of the board on these appeals.

Mr. Sinclair: This bill is a consequence of the bill we just passed amending the Customs Act. In section 3 of that bill there was an extension of appeals by allowing not just the importer who was affected by a departmental ruling on tariffs, but any other person who felt himself aggrieved, either to appear as a witness in the appeal or actively to launch the appeal himself, and then, if necessary, to carry further appeal to the exchequer court.

Up till now these appeals to the tariff board have been fairly informal, in that there was only the aggrieved person who was the importer, and the department involved. We are now widening the field of appeals to allow other people, manufacturers in Canada, for example, who think they are aggrieved by a departmental ruling, to appeal. We must give the board—

Mr. Fleming: That is in the other bill.

Mr. Sinclair: Section 3 of the other bill. Now that the appeals are to be on a little broader basis, it was felt best to spell out the actual powers of appeal.

Before the last amendments to the Tariff Board Act this act was in two parts. Part I dealt with inquiries. In this part were spelled out the powers as far as inquiries were concerned. Part II dealt with appeals, but no special powers were mentioned. These two parts were consolidated in the 1948 amendments but it was not quite clear that the powers to conduct appeals and the powers to conduct inquiries were consolidated. So that there will be no doubt that the board has the necessary powers to conduct these expanded appeals, if you like, as well as other purposes given in the powers, we are now writing into the appeal section the powers given in the inquiry section, except for section three, 7 and 8. There will be no need to compel witnesses to attend such appeals because of course the witnesses are the persons appearing of their own volition since they are interested.

As far as subsections 7 and 8 are concerned, the necessary authority is already in the Tariff Board Act. There is a provision that there shall always be a quorum of two out of three to hear such appeals; therefore 7 and 8 of the powers given under the inquiry section are not necessary here.

Mr. Fleming: That deals with 7 which says:

> One member shall have power to conduct any inquiry . . .

Mr. Sinclair: That is the point. As far as appeals are concerned, the quorum is explicit in the present act. There must always be at least two members of the tariff board to hear an appeal. So the quorums which are given in subsections 7 and 8 under the inquiry section will not apply as far as appeals are concerned.

Section agreed to.

Title agreed to.

Bill reported, read the third time and passed.

NATIONAL PARKS ACT

LEVYING OF TAXES FOR CERTAIN WORKS OR SERVICES—AMENDMENT TO BILL NO. 235

Hon. Robert H. Winters (Minister of Resources and Development) moved that the house go into committee to consider the following resolution:

> That the following provision be inserted as subsection three of section three of Bill No. 235 (Letter O-6 of the Senate), intituled "An act to amend the National Parks Act" now before the house:
>
> "(3) Paragraphs (p) and (q) of subsection one of section seven of the said act, as enacted by section nine of chapter sixty-six of the statutes of 1947, are repealed and the following substitued therefor:
>
> '(p) levying taxes upon the residents of a park or upon the interest of any person in land in a park in order to defray the cost of health and welfare services supplied to such residents by a province pursuant to an agreement made under paragraph (o) or supplied to such residents by the government of Canada;
>
> (q) levying taxes upon the interest of any person in land in a park in order to defray, in whole or in part, the cost of the establishment, operation, maintenance and administration of any public works, improvements or utility services referred to in paragraph (i) and prescribing that such taxes may be levied with respect to any or all of the following lands (i) all lands in the park; (ii) lands in such area or areas in the park as may be designated by regulations, and (iii) lands benefited by such public works, improvements or utility services;
>
> (r) the sale or forfeiture of lands for non-payment of taxes;
>
> (s) the abatement and prevention of nuisances'."

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

Mr. Bryce: Will the minister tell us what this is all about?

Mr. Winters: Mr. Chairman, this is a resolution which, when we are dealing with Bill No. 235, section 3, I shall ask one of my colleagues to move to have inserted as subsection 3 of section 3. The reason for that is that when Bill 235 went to the other place for consideration this resolution was part of the bill; but it was of course necessary to have this part of the bill preceded by a resolution because it deals with the expenditure of public funds and raising revenue. It was therefore withdrawn from the bill so that the House of Commons might deal with it, and a section will be inserted as an amendment to the bill later on, subject to the approval of the house.

The resolution itself seeks to obtain from the house permission to lexy taxes in public parks. It is in most respects a clarification of powers that are already in the act to enable the government in the first instance to pay provincial governments for services such as health and welfare that are provided by provincial governments to the residents of national parks.

In the second instance it is to authorize for taxation to offset the cost of services such as water, sewerage, garbage collection and the like provided to residents of national parks.

Resolution reported, read the second time and concurred in.

AMENDMENTS WITH RESPECT TO LANDS REQUIRED FOR GAS AND OIL PIPE LINES, ETC.

Hon. Robert H. Winters (Minister of Resources and Development) moved the

second reading of Bill No. 235, to amend the National Parks Act.

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

Sections 1 and 2 agreed to.

On section 3—*Regulations.*

Mr. Winters: I shall ask my colleague, the Minister of Public Works, to move that the contents of the resolution appearing on the order paper as item No. 14 be now added to Bill No. 235, letter O-6 of the Senate, as section 3(3).

Mr. Fournier (Hull): I move:

That the following be added as subsection (3) of section 3:

"(3) Paragraphs (p) and (q) of subsection one of section seven of the said act, as enacted by section nine of chapter sixty-six of the statutes of 1947, are repealed and the following substituted therefor:

'(p) levying taxes upon the residents of a park or upon the interest of any person in land in a park in order to defray the cost of health and welfare services supplied to such residents by a province pursuant to an agreement made under paragraph (o) or supplied to such residents by the government of Canada;

(q) levying taxes upon the interest of any person in land in a park in order to defray, in whole or in part, the cost of the establishment, operation, maintenance and administration of any public works, improvements or utility services referred to in paragraph (i) and prescribing that such taxes may be levied with respect to any or all of the following lands (i) all lands in the park; (ii) lands in such area or areas in the park as may be designated by regulations, and (iii) lands benefited by such public works, improvements or utility services;

(r) the sale or forfeiture of lands for non-payment of taxes;

(s) the abatement and prevention of nuisances'."

Mr. Harris (Danforth): We have had only a brief explanation from the minister. I wonder if he has before him any further information to give the committee?

The Deputy Chairman: Perhaps that could be done when the title is called.

Amendment agreed to.

Section as amended agreed to.

Section 4 agreed to.

On the title.

Mr. Winters: Mr. Chairman, this bill is to amend the National Parks Act. The most important change is a provision to authorize the granting of rights of way for oil and gas pipe lines through the parks.

Another amendment is to re-enact a provision in the Dominion Lands Act, which was repealed by the passage of the Territorial Lands Act. Recently there was passed by the house a territorial lands bill to replace the Dominion Lands Act. When that bill was being considered some questions were asked about timber berths which had been granted under the Dominion Lands Act. As stated then, there are some eight berths located in national parks, all of which were granted prior to 1930 when the National Parks Act was passed. As the territorial lands bill applies only to the territories, the provisions applying to these timber limits should be added to the National Parks Act. There are also a few minor changes which affect the definitions in the act, one of which is a change in the name of the department.

Mr. Harris (Danforth): I believe that change has to do with the department of the interior, which went out of existence some years ago.

Mr. Winters: That is right.

Mr. Bryce: Have these contracts long to run?

Mr. Winters: To all intents and purposes they are in perpetuity. The only reason for termination would be lack of conformity with the regulations.

Mr. Bryce: To whom are they rented?

Mr. Winters: There are eight of them in all, rented to the following: Berth No. 406, Yoho national park, to the Berpall Lumber Company. The original date of issue was November 26, 1886. Then, berth No. 40, Glacier national park, issued on May 26, 1886, to the Royal Trust Company; then there are five berths in Glacier national park, Nos. 117, 292, 328, 329 and 342 issued in the years 1893, 1902, 1903, 1903 and 1903, respectively, to the Deer Park Lumber Company. The last one, berth No. 73, in Revelstoke, was issued in 1893 to the Royal Trust Company.

Mr. Harris (Danforth): Is the minister before the committee the present minister of the interior?

Mr. Winters: The functions to which the hon. member refers have been taken over by the Department of Resources and Development.

Mr. Harris (Danforth): It does not say so.

Mr. Cruickshank: I should like confirmation of what I believe the minister said, namely that prior to this time pipe lines did not have the privilege of going through national parks.

Mr. Winters: That is right; this enables the government to make provision whereby pipe lines may go through national parks.

Mr. Herridge: Is it usual for the federal government to charge the stumpage and royalty duties charged by the province in which a park is situated?

Mr. Winters: Yes; the procedure is so far as possible for the federal government to conform to the practice in the province.

Mr. Herridge: And increase the stumpage, as it is increased, or otherwise?

Mr. Winters: Yes.

Mr. Cruickshank: I understand that the Royal Trust Company and certain other companies have enjoyed certain privileges. Do I understand now that any company will be eligible with the equal right to put a pipe line through a national park?

Mr. Winters: This gives the government the right to grant the same privilege to anyone receiving authorization in the usual manner.

Title agreed to.

Bill reported, read the third time and passed.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

CRIMINAL CODE

AMENDMENTS WITH RESPECT TO BREAKING AND ENTERING, FORGERY, ETC.

Hon. Stuart S. Garson (Minister of Justice) moved the second reading of Bill No. 82, to amend the Criminal Code.

Mr. Diefenbaker: Is the minister going to say anything?

Mr. Garson: Mr. Speaker, the hon. member for Lake Centre (Mr. Diefenbaker) suggests that I say a word by way of explanation. I will make it very brief because the explanatory matter published opposite each section of the bill is pretty lucid. The bill comes from the Senate, which has given it careful consideration. It represents the annual amendments to the Criminal Code which the government recommends to the house at this session. In so far as second reading is concerned, the bill deals with fourteen separate matters which have little in common. There is no principle common to them all, and the only thing that can be said to bind them together in the one bill is that they all have to do with amendments to the Criminal Code, an act of a very comprehensive nature. Therefore I think we shall make much better progress if I just say these few words on second reading and then go into committee where, if further explanations are desired by hon. members with regard to any of the amendments, I shall be glad to provide them if I can.

[Mr. Herridge.]

Mr. J. G. Diefenbaker (Lake Centre): Mr. Speaker, so far as the actual amendments are concerned, with two exceptions they cover amendments that are technical or procedural. The minister having said that the bill represents all the amendments to the Criminal Code the government intends to introduce at this session, it becomes necessary for me to refer to a number of matters having to do with the administration of the criminal law. I regret that some of the suggestions I am about to make have not found their way into the amendments that are being introduced on this occasion by the Minister of Justice (Mr. Garson). I am sure he will agree with me that there is nothing more important than that the criminal law should be maintained and kept up to date. To that end the criminal law amendment commission has been sitting since January 1949. It is charged with the responsibility of recommending such revisions and changes in the criminal law as are deemed necessary by the members of that commission under the distinguished chairmanship of Chief Justice Martin of the Saskatchewan court of appeal.

When I say enforcement of the criminal law is of major importance, and I notice the changes that are made with regard to firearms, what has taken place within the last two days in the city of Montreal underlines the necessity for agencies of the crown to do everything possible to minimize the use of firearms, particularly revolvers, pistols and other such weapons. Indeed there is an article in tonight's paper indicating that a special reward has been offered by the Canadian Bankers Association in the case of the gunman who killed Royal Canadian Mounted Police constable Alexander Gamman during an attempted hold-up a few days ago in that city. The minister being in fact the titular head of the Royal Canadian Mounted Police, I suggest to him that no person should be allowed to wander about our country with even the slightest possibility of immunity from arrest without all agencies of the crown and private citizens doing everything they can to ensure his apprehension.

I have referred to a Royal Canadian Mounted Police officer killed in the discharge of his duty. I am sure that the country as a whole would approve of the minister, as head of the Royal Canadian Mounted Police, offering an additional reward to that already offered by the Canadian Bankers Association with a view to showing all lawbreakers or potential lawbreakers that the murder of an officer of the Royal Canadian Mounted Police shall not go unpunished if agencies of law and civilian organizations can prevent it.

I am not allowed to deal with the various sections of the bill on the motion for second reading, and as the minister said they can be dealt with in committee. Nevertheless there are one or two things to which I should like to draw his attention. There are certain changes that should be made, and parliament should not wait to make them until the criminal law amendment commission reports. The first one has to do with the provision of the law as it now stands, that in so far as money penalties are concerned the alternative is imprisonment. I have known, as I am sure the Minister of Justice and other legal members of the house also have, of cases where, because an individual was poor and unable to pay his fine, the price of poverty has been a passport to imprisonment. That should not be. If the offence committed merits no more than a fine the pecuniary inability of the accused to pay it should not place him in a position where the stigma of imprisonment hangs over him, and is indeed so often imposed. From experience I know there are many magistrates who, in the enforcement of the law, extend the time for payment, and are often criticized for doing so by the agencies that appoint them.

I feel the time has come in Canada to follow the reform that has been made in this regard in the United Kingdom where a person no longer is imprisoned for failure to pay a fine when he is unable to do so. I also feel that an amendment might be introduced to provide for instalment payments under the law to the end that this injustice will be removed.

Then I come to one further matter. It has to do with respect for the law, because after all the criminal law depends for its enforcement on the respect people have for it. Nothing has done more harm to the enforcement of law in our country than the flagrant flouting of the law on the part of the Sons of Freedom. They have placed themselves above the law, which they regard as simply a means of attaining martyrdom. They commit the most serious offences with the excuse that they are motivated by religious considerations.

This is the first opportunity I have had to pass on a suggestion to the minister. I understand that a commission has been set up in British Columbia to look into the matter and determine what course should be followed. One thing is certain; something must be done. These people cannot be permitted to continue to commit crimes, including arson, at their least whim with impunity under the pretence that they are indeed acting under a religious impulse. I have no interest in the name I place before the minister now in connection with that commission. I know something of the influence this gentleman has on Doukhobors who would break our law, and I know that no Anglo-Saxon has had as much experience with these people. I refer to James Wright of Saskatoon, the author of "Slava Bohu", an outstanding book of a few years ago relating to Doukhobors. I know of no one who understands the temperament of the Sons of Freedom as he does, or who has as much influence with them. I must add that he has no particular political qualifications for the position, for he belongs neither to the party of my hon. friend the minister nor to the party to which I belong. His great qualification is his understanding of the problem. He is an authority on the Doukhobors, and in particular on the Sons of Freedom. If his services are enlisted I am sure he will do much toward solving the problem which faces the minister and the attorney general of British Columbia, for it affects both. The administration of the law rests with British Columbia, but the R.C.M.P. are an agency of the federal parliament charged with the responsibility of carrying out federal laws. They are being used to meet this threat in British Columbia, which places upon the shoulders of the minister a heavy responsibility.

In offering this suggestion I am endeavouring to share that responsibility as one desirous of seeing this problem settled so that no longer will these people, while accepting all the benefits of freedom, whenever they feel like it set out to destroy freedom. They came to this country looking for freedom from persecution. They must be made to realize that we will not have our laws flouted by them at their every whim. In that spirit, and in a desire to see that the criminal law shall not be evaded and circumvented by these people, with the inevitable lessening of public support for law enforcement, I advance this suggestion to the minister knowing what this man can do, having in mind the experience we in Saskatchewan have had with Mr. Wright over a period of fifteen or eighteen years.

Now, Mr. Speaker, I have one other suggestion to offer, which I believe deserves the attention of parliament. There is no more serious matter in our country today than the matter of drunken driving. In view of the fact that hundreds of people are being killed each year through the negligence of drunken drivers, I feel that the amendments to our criminal law should include some reference to this matter with a view to tightening up the law. Some time ago I asked the minister

whether he intended to bring in any such amendment. On May 3, 1950, at page 2119, he informed the house and the country that the government did not intend at this session to bring in any amendments to the law with respect to drunken drivers.

Let us view the situation dispassionately. Some 1,800 Canadians are killed each year in motor accidents. Of these some thirty per cent—and this is a reasonable estimate based on the experience of police officers—are killed by drunken drivers. We regard murder as a terrible crime. Drunken drivers kill five times as many Canadians as are murdered. I am not going to place on record a great deal of data on the subject. There was a particularly good article in *Maclean's* magazine of March 15, 1950, and I am going to summarize what it says. In Canada the accident rate is 12·7 per 100,000. In Sweden, which has taken drastic measures to stop drunken driving, the rate is 4·3. One can determine how serious the situation is by communicating with any crown prosecutor in this country, or with the mounted police. Dr. Joslyn Rogers, the Ontario provincial analyst, has summed up the situation in these words:

> The drunk driver's killings and maimings would appal the public if they could be put before people in all their horror. He is the greatest menace we have.

Then I have one other quotation, from Chief Charles MacIver of Winnipeg. Knowing this man as he does, I am sure the Minister of Justice (Mr. Garson) will place a good deal of reliance in what he says:

> Drunken driving is the No. 1 social problem today. A motorist under the influence of liquor is a potential murderer.

The police chief of Regina has branded it as the gravest social problem with which we have to contend. Yet we go on, year after year, with the criminal code unchanged, the minimum penalty being seven days and the percentage of acquittals particularly high because in many cases the crown is unable to establish guilt. The defence can always be raised that there has been a leak in the pipe in the motor, and the man has suffered from carbon monoxide poisoning, or he has had a heart attack or some other seizure. Perhaps he had a drink three or four hours before, or indeed he may have had a drink only after the police came. Frequently it is urged that the accused smelled of alcohol only because he took a drink after the police came in order to restore his morale.

This problem is not being faced by parliament as it should be. When you recall there are between 500 and 600 Canadians a year, or almost two Canadians a day, killed on the highways by drunken drivers, you can see that this is a matter which deserves the attention of parliament. The attorney general of British Columbia was under the impression, in an interview he gave on April 28, that amendments to the Criminal Code were being drafted. According to the minister he was in error in that regard.

What should be done? Some would suggest that we increase the penalty. Increasing the penalty very often results in an increase in the number of acquittals. If the minimum penalty is too high the judge or jury will go a long way in order to arrive at a verdict of not guilty when any doubt, however inconsiderable, has been raised. In the explanatory notes of the bill to amend the Customs Act, which was piloted through the house today by the parliamentary assistant to the Minister of Finance (Mr. Sinclair), the explanation given for reducing the penalties was that the penalties were so high as to constitute an invitation to acquittal. If heavier penalties are not the solution, what other methods are there? I am not here for the purpose of suggesting what methods should be followed. In Sweden, to which I have already made reference, drastic regulations and laws have been in force. According to *Maclean's* magazine the police of that country have the power to stop a line of cars at any time, on any street or highway, and take blood alcohol tests. Wherever the driver's alcohol percentage goes above the equivalent of one medium drink of whisky he can be sent to jail, and the minimum sentence is two months. That is drastic, and I doubt that such a plan could be accepted under our law.

An hon. Member: But not too drastic.

Mr. Diefenbaker: I am arguing both sides of the question, and I can see the point my hon. friend has raised. I know from experience in prosecuting, but more particularly as defence counsel, that heavy minimum penalties defeat the object for which they were established.

What are the alternative suggestions? The alternative suggestion is that chemical tests be provided for under the law, whereby when a person is taken into custody on this charge he may be subjected to either a breath test, blowing his breath into a balloon, or a blood test, which is more drastic, or a test of saliva or urine. Under our law now those tests, if taken, would be illegal; certainly they would not be admissible in evidence. It is not for me to suggest what should be done, but certainly there is no doubt whatever that any person whose blood test showed a reaction of ·15 of alcohol is intoxicated to a degree that he is unable to properly operate his motorcar. It is not very long ago that I had

experience in a homicide case; after a drinking party an examination was made of the blood of the deceased, and it was found that the percentage of alcohol was over ·15. Every medical authority on jurisprudence agrees that at that point a person is in fact unable to form a rational opinion as to the difference between right and wrong, and has lost that control of his motivating capacity as would amount to intoxication.

I feel that something must be done. The number of drunken driver cases is multiplying year by year. Taking the city of Toronto as an example, the figures given for 1945 show that 453 of the drivers in accidents were listed as under the influence or had been drinking; in 1949 the number jumped to 826. In Vancouver there were similar records, and in Winnipeg there was a pronounced increase following the trend across the country. There is no more serious problem today than the problem of dealing with this matter. It is not dealt with today under the section of the Criminal Code. I venture the opinion that if a compulsory blood test or saliva test were provided by law it would afford many persons a defence; and on the other hand it would also provide, for those who escape the just penalty for their wrong, the certainty of conviction in the event that their blood was found to have a percentage of alcohol over ·15. Therefore, sir, even at this late date, I bring this matter to the attention of the minister. I believe it is a matter that deserves attention now. Waiting another year means that 600 or more Canadians will be killed because the law is not sufficiently stern, and the enforcement of the law is insufficient to meet the requirements of present-day conditions.

I am one of those whose experience over the years has been largely for the defence. Nevertheless, I believe there is no section of the criminal law that is more evaded and circumvented than the provision against drunken driving. Indeed, as the law is today, there is nothing of a deterrent in the possibility of receiving a sentence of seven days in jail when any person desiring to break the law must realize that the possibility of conviction is next to nothing. However uncertain a person may be, however much he may smell of liquor, however terrible the accident in which he has been involved, there are in the law as it stands today so many loopholes—placed there not by the accused but by parliament—that I feel it should be strengthened. And parliament should not wait one year longer.

I am not going to deal with the phases peculiar to the provinces; but what a farce it is, with those who are convicted generally receiving the minimum of seven days, then in a matter of a few weeks getting their cars back again—

An hon. Member: No.

Mr. Diefenbaker: Yes, in a matter of a few weeks.

Mr. Gauthier (Portneuf): Yes, you are right.

Mr. Diefenbaker: And they are once again placed in possession of an instrument which is as dangerous as or more dangerous than a gun in the hands of many, to go forth with little more danger of a heavier penalty in the event that they again commit an offence, when the penalty becomes thirty days.

Not long ago I saw an example of the results of drunken driving. If the law were made really effective, no one would need to fear anything but his own inclination to be a potential killer. But certainly we in this parliament should see to it that something is done similar to what is today being done in the United States, where in thirty-five states the law is now enforced by means of blood, saliva and breath tests. At any rate, if the minister is afraid that a blood test is too drastic a measure, certainly there is nothing drastic about a breath test. There is no reason why an accused should be unwilling to submit to it.

These are three suggestions which, I submit, deserve attention now. Summarizing them, they are: First, let us stop penalizing anyone for inability to pay a fine. Second, let us do what we can to meet this threat to the enforcement agencies, the challenge to law and its enforcement, to which the Sons of Freedom are constantly subjecting our criminal law. Third, let us make the law inescapable to drunken drivers. If we reduce the death rate within one year by thirty-five per cent—as was the case in at least ten American states—from killings by drunken drivers, we certainly shall have done something worth while; for even if we do no better than that, we save in the next year in Canada two hundred Canadians who have a right to live, and who are asking parliament that that right be preserved by a proper change in the law.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, it was my intention to make remarks that might have been somewhat extended concerning this question of drunken driving. What I intended to say, however, has very largely been said by the hon. member for Lake Centre (Mr. Diefenbaker) who, in addition, has been giving the house some worth-while quotations

from the same documents which I have on my desk and which I had intended to use. Nevertheless, I think it is worth while to take just a few moments to support what the hon. member for Lake Centre has said and to do my best to impress upon the Minister of Justice (Mr. Garson) the importance of taking action at an early date, to amend the Criminal Code with respect to drunken driving. I agree thoroughly—

Mr. Garson: Mr. Speaker, I wonder if I might be brave enough to raise a point of order against the hon. member for Winnipeg North Centre (Mr. Knowles). We sometimes wonder why we take so much time in the debates in this house, but tonight I think we had have a shining example, I will not say of wasting time but of spending a great deal of it. We have in this bill a series of amendments to the Criminal Code. If in the discussion of these amendments we can discuss every section of the Criminal Code which is not being amended, there is utterly no limit to the amount of debate that we can put on a single bill amending the Criminal Code. What I suggest is this, and I would have raised this same point with the hon. member for Lake Centre—

Mr. Knowles: But you didn't.

Mr. Garson: —but I thought I would contain myself because his observations on matters of this kind are always of great interest. I think I was wrong, sir, when I did not raise the point of order. All of these remarks, Mr. Speaker, I submit are quite in order upon the estimates of the Department of Justice. But tonight we are discussing amendments to certain specific sections of the Criminal Code; and the only remarks that are in order are those which relate to the subject matter of the bill before us.

If I may extend my point of order, may I say that it is important to the time of this house, because what will happen is that we shall spend a lot of time discussing this subject tonight; and then when the matter is raised on the estimates of the Department of Justice, we can go over these remarks again. Then we wonder why we take up so much time.

There is another reason for my stand. I came down here, as I had a right to do with a bill containing certain specific provisions, prepared to discuss in debate the provisions of this bill and not a lot of other sections that are not being amended. I suggest that we shall have a much higher order of debate if we now keep to the points before the house instead of talking about a lot of things that are not in the bill at all; and then discuss, as we shall, these other points that have been raised by the hon. member for Lake Centre and that are now being raised by the hon. member for Winnipeg North Centre (Mr. Knowles), at the proper time, namely on the estimates of the Department of Justice.

Mr. Knowles: Mr. Speaker, may I say that I indicated at the start that most of what I intended to say had been said by the hon. member for Lake Centre and that I was therefore prepared not to extend my remarks except to indicate my support of legislation against drunken driving, and to mention one or two additional points. I would have been through by now if the Minister of Justice (Mr. Garson) had not raised the point of order. But since he has raised the point of order,—

Mr. Fournier (Hull): Is that a promise?

Mr. Speaker: Order.

Mr. Knowles: —it is a serious question as to whether it is proper to permit the hon. member for Lake Centre (Mr. Diefenbaker) to speak at length on this matter and then for other members not to be permitted to do so at all.

Mr. Speaker: Order. In view of what has been said, it might meet with the approval of the house if the bill received second reading now and the sections were discussed in committee; then when the minister's estimates are being considered, there could be a general discussion. That seems to me to be a businesslike way of handling this matter. Is it the pleasure of the house to adopt the motion for second reading?

Mr. Drew: No. I do not want to interrupt the hon. member—

Mr. Knowles: Are you speaking on the point of order?

Mr. Drew: I want to speak on a point of order. There is a very clear point of order involved in this. The estimates do not provide the appropriate opportunity to present the recommendations that have been made by the hon. member for Lake Centre (Mr. Diefenbaker). What the hon. member for Lake Centre has been placing before the house is the desirability, I would say the necessity, for appropriate amendments to the Criminal Code to deal with the slaughter on our highways.

The introduction of this subject into the discussion of the estimates would be an entirely fruitless thing, because at that time we would be discussing the advancement of money, not the amendment of the Criminal Code.

At this point, if the minister is actually prepared to regard this as a parliament—and

may I presume to remind some of the hon. members that the word "parliament" carries a meaning that seems to have been forgotten by some who spoke earlier today, and who thought that there should be no discussion here. Parliament is the place in which we discuss the principles of legislation. If the minister is anxious to meet this he could well introduce an amendment to his bill which would deal with something that is much more important than the amendment that he has introduced.

I did not want to interrupt the hon. member, but I do propose to have some comment to make about this particular subject, because the extent of it is something that should alarm every member of this house. I believe it should be possible at this time to place before the house something so important with the hope that serious consideration will be given to an amendment to the Criminal Code that will make the slaughter on a scale that is comparable with war casualties such a crime that it could really be dealt with.

Mr. Speaker: Now that the leader of the opposition has made his point and I think the hon. member for Winnipeg North Centre has indicated to the house his stand on this question, it would be a businesslike method of procedure if the bill were read the second time. Is it the pleasure of the house to—

Mr. Knowles: Mr. Speaker, if that happens there is no opportunity in committee on this bill to discuss the matter which the hon. member for Lake Centre has opened up. I do wish to speak for three or four minutes on the matter. The leader of the opposition has indicated that he wishes to do so as well.

Mr. Speaker: Order.

Mr. Knowles: I think there should be a ruling one way or the other.

Mr. Speaker: The leader of the opposition has already expressed his view in a very clear and forthright manner. Probably the house would like to hear the hon. member for Winnipeg North Centre speaking for two or three minutes on the subject. I think that would be the fair way.

Mr. Garson: I raise this point of order quite seriously, believe me, with no intention of curtailing the debate in any way or being unfair to any hon. member. If I had felt that way I would have raised the point of order the moment the hon. member for Lake Centre opened his remarks.

Mr. Knowles: But you did not do that.

Mr. Garson: The issue here is a very simple one. When we bring before the house amendments to certain specific sections of the Criminal Code or of any other act, in the discussion of the amending bill we are confined to the subject matter of the sections that are in the bill itself, and cannot roam all over the Criminal Code to bring in any other subject that we think should be included in the bill.

If hon. members of the opposition want to bring changes in the law to the attention of the government they can do so in the debate on the speech from the throne; they can do so in the budget debate; they can do so on the motion to go into supply; they have any number of opportunities to do so. But if, in addition to that, when we bring down an amendment to let us say section 100 of the Criminal Code, they are going to discuss other sections of the code that are not referred to in the bill, then there will be no end to the discussion on any amendment that we bring down.

Mr. Speaker: Order. I ruled on a previous occasion that on a motion to amend an act a general discussion on the act itself is not permitted. However, I do feel that I must be fair to all members of the house. The member for Lake Centre has expressed his view; the leader of the opposition has expressed his view. I think it would only be fair to have one member from the C.C.F. party express his view also. He said he would do it in two or three minutes. I think I should hear him and then I will put the motion for second reading.

Mr. Knowles: Thank you; and I shall take only a few minutes, particularly because the case was so well put by the hon. member for Lake Centre. I am glad he gave the quotations that he did from the article in *Maclean's* of March 15 by Mr. Fred Bodsworth. I might also refer to information that I have on my desk put out by the committee on tests for intoxication of the national safety council of the United States. That committee is pressing for more use of tests of various kinds in the states of the country to the south of us, with particular emphasis upon the breath test, or the balloon test as it is sometimes called.

As the hon. member for Lake Centre has pointed out, that test does not have some of the disadvantages that the blood test has. In particular, it can be taken on the spot, and I understand it is quite reliable. I feel that the hon. member for Lake Centre has done well to impress upon the government that it is urgent that action be taken along this line.

It is not good enough to suggest it will be considered in another year, for as has already been pointed out, 1,800 Canadians die each year as the result of traffic accidents, and a very large percentage of them are due to drunken driving.

I was interested in the answer the Minister of Justice (Mr. Garson) gave to the hon. member for Lake Centre on May 3, in which he indicated that some consideration was being given to the question of drunken driving, but he pointed out at that time that the inquiries being made of the provincial attorneys general did not relate to these intoxication tests. I am very sorry that is so. I hope that even the amount of discussion that Your Honour is permitting on this occasion will persuade the Minister of Justice that the time for action in this field is long overdue. I am sure that those of us who are expressing these views are expressing the views of a great many Canadians, and I earnestly hope that the minister will reconsider the matter at this session of parliament.

As I sit down I want to say to the Minister of Justice it seems to me more logical for us to be making these suggestions to him now when he is before us with his amendments to the Criminal Code, than it is for those suggestions to be buried in speeches on the address or on the budget, which he may or may not happen to hear. Now we have his ear, and I hope that we have it to good advantage. I hope that he will realize we are speaking for the Canadian people when we ask that action be taken at an early date to strengthen our Criminal Code, so that something can be done to reduce the amount of drunken driving.

Mr. Garson: May I be permitted four sentences to close the debate on the second reading?

Mr. Gillis: Before the minister closes the debate I should like to ask him a couple of questions.

Mr. Fournier (Hull): In committee.

Mr. Speaker: As I have already said I think the business of the house would be advanced if we had second reading now. Questions could be asked in committee and the minister could make his reply in committee.

Mr. Garson: If I might close this drunken-driving episode, all I am interested in putting on the record in reply to the material that has been put on by the opposition is that we have had this matter under the most careful consideration.

Mr. Lennard: When?

Mr. Garson: For many months past in this committee, and in consultation with provincial attorneys general and law officers; and I am entirely prepared to come here and satisfy this House of Commons that we have given it adequate consideration, and give my reasons why we are not bringing down an amendment now. I would not be in order on this occasion in doing so. When the time comes, I am quite prepared to debate this very issue for just as long as any member of the opposition wishes to debate it—

Mr. Diefenbaker: People get killed.

Mr. Garson: —and take issue with many of the statements of fact of the hon. member for Lake Centre (Mr. Diefenbaker), and controvert them, and prove that so far as certain provinces are concerned they are not correct.

Mr. Diefenbaker: I did not mention anything about any province.

Mr. Gillis: May I ask a question, because I have a lot of non-legal opinions to express with regard to the Criminal Code, particularly about things that are not in it at all. Will the minister give us the assurance that when the first item in his estimates is called we will be permitted to discuss amendments or additions to the Criminal Code?

Mr. Garson: I have no hesitation in saying that when my estimates are before the committee, if the hon. member wishes to urge upon the Department of Justice that there are certain things which should be in the Criminal Code, but which are not there, we will have no objection to hearing about them. We are always delighted to have suggestions.

Mr. Drew: Too late then.

Mr. Robert Fair (Battle River): Mr. Speaker, as a member of the fourth party in the house, I do not think it would be fair to rule us out, or to prevent our making a few observations about drunken driving. I would say that we are very much worried about the turn of drunken driving in the last few years, and we believe amendments to our Criminal Code in respect of drunken driving should be made at this session, without waiting until next session. Then, such amendments should be enforced for the protection of human life in Canada.

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

On section 1—*Paragraph repealed.*

Mr. Drew: Mr. Chairman, I suggest there should be some explanation from the Minister of Justice as to why these sections should be repealed.

Mr. Garson: Mr. Chairman, the purpose of sections 1, 4, 7 and 21 is to repeal part III of the Criminal Code, which has to do with the maintenance of order in connection with public works. These were defined as including any railway, canal, road, bridge or other

ork of any kind in any manner constructed carried on by the government of Canada, of any province of Canada, or under any unicipal corporation or any incorporated ompany or private enterprise.

By part III of the Criminal Code certain ther sections of the code were brought into ffect, so far as the maintenance of law and rder was concerned upon these public orks, so defined. The reason we are now eeking the repeal of part III, and the conequential repeal of other sections of the ode, is that part III is obsolete. The last me it was invoked was in connection with ie building of the Hudson Bay railway, in 928. It has never been invoked since then, nd it is considered now unnecessary. It is ierefore asked that it be repealed.

The Chairman: Shall section 1 carry?

Mr. Diefenbaker: No. I am not satisfied ith the minister's explanation at all. Was e explaining section 1? —because he was sked about it, and the purpose of it.

Mr. Garson: No; perhaps the hon. member id not hear me, but—

Mr. Diefenbaker: I heard it.

Mr. Garson: Sections 1, 4, 7 and 21 are all elated, and I was explaining the effect of ie four of them. So far as section 1 is conerned, it repeals paragraph (46) of subsection of section 2 of the Criminal Code, and is onsequential upon the repeal of part III, hich is effected by section 4.

Mr. Diefenbaker: What does part XII deal ith?

Mr. Garson: Part XII refers to part III, in ections 608 to 618 of the Criminal Code, hich relate to the search and seizure of eapons and liquor, in places where part III as been proclaimed in force. In other words, t us consider the Hudson Bay railway; if ney wish to maintain law and order in conection with the construction of the railway ney proclaim part III, and when that hapens these sections 608 to 618 deal with the natter of seizing and searching for weapons nd liquor in connection with that particular ork of constructing a railway.

Mr. Diefenbaker: But why do these sections 08 to 618 apply only to the Hudson Bay ailway?

Mr. Garson: They do not apply only to the ludson Bay railway.

Mr. Diefenbaker: What is the purpose of epealing them, then? I have not had an xplanation yet.

Mr. Garson: Part III is written into the Criminal Code for the purpose of maintaining law and order in connection with the construction of public works, the definition of which I have just indicated. When part III is proclaimed, then certain other sections of the code, for example sections 608 to 618, are made applicable to the search for and seizure of weapons and liquor, in those places in which part III has been proclaimed in force.

Then, another part, namely part XXII, makes provisions against certain proceedings by way of section 1132. In other words, when the proclamation is put into effect, certain sections of the Criminal Code are made available for carrying out part III in connection with the public works in respect of which it has been proclaimed.

Since part III has not been used for many years, and is now considered obsolete, we are seeking to repeal it. Then, in consequence of that repeal, we have to repeal these references to certain other sections of the Criminal Code which applied to the operation of part III in connection with public works projects.

Mr. Diefenbaker: Why repeal insignificant sections like these, when there are major sections which should be amended? The minister made quite a speech a while ago about wasting time; apparently that is going to be the refrain we shall hear. If there is any good reason why parliament should take up its time repealing the odd section, which is as unimportant as the minister has indicated in this instance, then I cannot understand what that reason could be.

Was the repeal of this section asked for by the minister? Who asked for it? Here, on the one hand we are asked to repeal a section which is obsolete, while on the other hand we have a commission sitting—and it has been sitting for fifteen months—the main purpose of which is to remove these obsolete sections. Yet we find the minister bringing these sections before parliament, and asking us to repeal them. Why do we have this haphazard method of revision? I cannot understand it. The minister made his little speech a while ago. I raised three matters that are important to Canada and all we get from him is the brush-off. He comes along and produces the repeal of a section that has been obsolete since 1928.

Mr. Garson: Is my hon. friend opposed to the repeal of obsolete sections?

Mr. Diefenbaker: Opposed! I think it is the most ridiculous, haphazard interference with the Criminal Code. Instead of trying to revise it and accept suggestions from parliament, every year we have had this

picayune selectivity on the part of the minister during his term of office. He comes along with these little insignificant sections as though the criminal law were being amended, and when matters such as drunken driving and imprisoning people because they have not the necessary money to pay their fines are brought up they are brushed aside. I cannot understand such action at all.

What is the purpose of repealing this unimportant obsolete section instead of dealing with important matters? Since the hon. gentleman has been Minister of Justice, each session, with one exception, little insignificant picayune sections have come up for attention. And that one exception has not been proclaimed yet. Who asked for this? What is the purpose of having this one section repealed? There are certainly a good hundred sections that are obsolete. So far as such sections are concerned, why do you not wait until the commission has made its recommendations, and in the meantime deal with matters that are of substantive significance in order to protect the rights of people and to assure the perservation of life and property? Look at section 1:

Paragraph (46) of subsection one of section two of the Criminal Code, chapter thirty-six of the Revised Statutes of Canada, 1927, is repealed.

There are any number of other obsolete sections that remain in the code. What was the impelling motive that caused the minister with the tremendous advances that have been made in technological jurisprudence in the last few years, to bring in little sections like 1, 4 and 7?

Mr. Garson: And 21.

Mr. Diefenbaker: What is the impelling motive?

Mr. Garson: I can answer my hon. friend in about twenty-five words. We set up a revision commission to revise the Criminal Code, and my hon. friend spoke of that commission in terms of the highest praise just a short time ago.

Mr. Diefenbaker: That is not all they suggested.

Mr. Garson: Of course not. The commission has a gigantic task to perform. It is engaged in revising a criminal code that has not been revised since 1892. I do not initiate these things. They come to me through the regular routine from the drafting officers of the department who, by way of assistance to the commission in its task, are anxious to clear out of the way any of these obvious changes that should be made, and thus the commission will not have to spend its time considering such matters.

[Mr. Diefenbaker.]

Mr. Diefenbaker: You have certainly brought forth a mouse.

Mr. Garson: I think that is the commonsense, prudent thing to do. I cannot understand my hon. friend's attitude. He thinks it is ridiculous to bother with this section at all. Then let us repeal it and get it out of the way. There are one or two others like it but most of these amendments are fairly substantial.

Mr. Drew: Mr. Chairman, I think if there were no part III in the act the minister would be introducing part III at this time if he were performing his duty. What part III provides is a special procedure to prevent the possession of weapons and liquor in the neighbourhood of public works where such things may be dangerous. Surely this is a step that does not require elaboration at a time like this when sabotage of our great electrical plants would be the very first act of those who would seek to destroy the economy of the country. If we had no such provision in the act I would imagine that what those who are aware of the kind of threat existing in different parts of the world today might well seek to have introduced into the act would be a provision which would make it possible for the government to declare that in the neighbourhood of certain vital public works there should be no arms or alcohol. This section can deal with the type of public works where one or two men can put hundreds or thousands of people out of work simply by the sabotage of these great producing enterprises.

This is not just the sweeping away of dead legislation. It is a bald statement to us, without any supporting evidence, that a section which has not been used for a long time should be brushed aside and made ineffective at the very time that it may conceivably be most useful. One of the most remarkable things about the last war was that through the effectiveness of the Royal Canadian Mounted Police and the intelligence branches of our military services no major act of sabotage succeeded in this country. We must remember, however, that at that time we were fighting an enemy which had no effective fifth column in Canada. Today the only possible enemy that Canada faces is one with a highly organized fifth column about which the government will do nothing effective. We need a law such as would make it possible for the government to deal with these people if a situation should arise short of war when these traitors to Canada might decide that the time had come for them to cause trouble by interfering with the operation of our great electrical plants, waterways, or anything of that kind that is vital to the development and maintenance of the economy of Canada.

The minister has given no reason for the repeal of part III except to say that it has not been used for many years, and then only in connection with the Hudson Bay railway. Today we see a situation with which we were never confronted before, a situation in which it may be necessary for the government to have the power to take immediate action to deal with those who are openly opposed to the survival of our economy and free system. I would say that if we did not have part III in the act today we should now be advocating it, and I hope the minister will immediately drop the proposal to repeal it and to carry out the other repeals associated with it.

Mr. Garson: Mr. Chairman, I think my friend is suffering from a complete delusion if he thinks that part III ever had or now has any remote connection with sabotage. The presence of part III in the act is easily explicable. It was put there for the purpose of preventing the consumption of liquor and the possession of weapons in mining and railway camps in order to preserve peace in such places. In a sense it was an imposition to that extent upon the workmen engaged there. It has been found since 1928 that the ordinary provisions of the Criminal Code for the maintenance of law and order are quite sufficient for the purpose of maintaining law and order in such camps, and having regard to the fact that there has never been any occasion, in spite of the large amount of public works under construction since 1928, to proclaim this particular part of the code, there seemed to be no purpose in continuing it.

With my hon. friend's sentiments concerning the prevention of sabotage I would be the first in this house to agree. Certainly I think we should prevent sabotage, but that has nothing to do with part III. In the experience of the law officers of the crown, not those of the Department of Justice but the departments of the attorneys general of the various provinces, part III has not had to be invoked or proclaimed since 1928, nearly twenty-five years ago. They have found no difficulty in maintaining law and order in camps of this sort under the ordinary provisions of the Criminal Code. That being so it is considered wise now to drop it. The method of dealing with sabotage comes under an entirely different branch of the law, and on the proper occasion we shall be glad to go in great detail into the question of the adequacy of the provisions now available to prevent sabotage.

Mr. Diefenbaker: I cannot quite follow the action of the minister in altering the law with regard to the possession of weapons. He mentioned part III, which is entitled "Respecting the preservation of peace in the vicinity of public works," and a public work is—

—any railway, canal, road, bridge or other work of any kind, and any mining operation constructed or carried on by the government of Caada or of any province of Canada, or by any municipal corporation or by any incorporated company, or by private enterprise.

Then under the heading, "Weapons":

144. On or before the day named in such proclamation—

That is the proclamation of the governor in council to which the minister made reference.

—every person employed on or about the public work to which the same relates, shall bring and deliver up, to some commissioner or officer appointed for the purposes of this part, every weapon in his possession, and shall obtain from such commissioner or officer a receipt for the same.

145. Every weapon found in the possession of any person employed, as aforesaid, after the day named in any proclamation and within the limits designated in such proclamation, may be seized by any justice, commissioner, constable or other peace officer, and shall be forfeited to the use of his majesty.

Then, Mr. Chairman, if you will permit me to refer to subsequent sections, because apparently the rules regarding the possession of weapons are to be relaxed, the next is paragraph 2 which repeals subsection 1 (6) of section 119, which provides that any alien who—

—has in his possession any pistol, revolver, shotgun, rifle or other such firearm or any ammunition for any such firearm without having a permit in form 76B—

—shall be guilty of an offence. Why should that be repealed? Then the next one to be repealed is subsection 3, which reads:

In addition to the registration provided for in subsection two of this section there shall be, similarly, a general registration of all revolvers and pistols during the period between the first day of March and the first day of July in 1945, and during the same period every five years thereafter.

Why should the minister be so anxious to get rid of these sections dealing with weapons such as revolvers, pistols and the like? Certainly I can see no reason for relaxing the regulations governing these things. Only within the last few days in the city of Montreal a member of the R.C.M.P. was killed by one of these people carrying a revolver; yet now we are going to remove the provision for registration between March 1 and July 1, 1950. I do not understand why in amending the Criminal Code these sections dealing with revolvers and pistols, seeing that they are not in the hands of aliens and assuring that a proper check be made within the law, should be repealed. Who demanded this? Who asked for it?

Mr. Garson: If my hon. friend wants that question answered, it was the commissioner of the Royal Canadian Mounted Police.

Mr. Diefenbaker: All right; and what was the reason given?

Mr. Garson: I shall be very glad to tell my hon. friend. I do not know how many sections or clauses we are going to deal with at one time, but it makes no difference; I am quite prepared to deal with six if my hon. friend wishes. The reason we are repealing the two sections to which my hon. friend has referred is that section 119 of the code, which is the law of this country today, requires all persons in Canada, subject to exceptions in section 129 having to do with military, peace officers and so on, to have certain permits with respect to firearms such as pistols and revolvers. For example, there must be a permit to carry one; there must be a permit to sell one and a permit to buy one and a permit to resell one. Paragraph (b), imposing an additional requirement upon aliens to have a permit in form 76B for any firearm such as a pistol, revolver, shotgun, rifle or ammunition therefor, subject to the exception in favour of sportsmen passing through Canada, contains duplication in view of the permits they are required to have, just like everyone else in Canada, under section 119. Since there is a duplication those in charge of enforcement think it is not very intelligent, and they desire to have it repealed.

As to the registration every few years, as I have already indicated the law at the present time requires me, as soon as I purchase any of these weapons, to have a permit to buy them and a permit to carry them; and I must register them. If I sell them I must have a permit, and the person who buys them must have a permit. By the enforcement of all these provisions, if they are all lived up to, a complete record is kept of the ownership of every revolver and pistol in the country. John Doe was the first owner. He got a permit to resell it to Richard Roe; and you can follow the course of that weapon throughout, always providing that those concerned in these transactions complied with the law. The result of this general re-registration every five years, at a great deal of expense and extra work, has not been very satisfactory. This is indicated by the fact that of 227,510 firearms registered in 1939, some 45,000 remained unaccounted for at the time of the 1945 re-registration, in spite of intensive efforts to trace them.

Mr. Diefenbaker: May I ask how many of those were revolvers?

Mr. Garson: I am afraid I cannot give my hon. friend a breakdown, but the total unaccounted for was 45,000. Supposing we maintained this system of re-registration an an inquiry should come in from the polic department in Vancouver, let us say, as to gun bearing a certain serial number. I order to reply we would have to go back t the first general re-registration of 1939, the to the next re-registration of 1945, then to th next general re-registration of 1950, and t all the intervening registrations, before w could reply to this wire which might have t do with the apprehension of some crimina and might have to be answered quickly the matter were to be properly attended t After careful consideration the commissione of the Royal Canadian Mounted Police wro me a letter, which I shall be glad to read t hon. members if they are in any doubt o the score, to the effect that these re-registra tions served no useful purpose and used up lot of time and money when we require peopl to have permits to buy, own, sell or resell. B that means we have the facilities for mair taining a continuous record of all the gur in the country, with one proviso that n human being can take care of, and that is th proviso that people will comply with the lav

Mr. Diefenbaker: But 45,000 disappeared i five years.

Mr. Garson: They did not disappear at al What happened was that John Jones ha registered a gun in 1939, and did not see did not pay any attention to the re-registra tion notice in 1945, and that particular gu would not be re-registered in 1945. The were 45,000 of that sort.

I make this point: If you require John Dc to register a gun in 1939, and he has to hav a permit to buy or to sell one, that is regi tered and stands on the registry in the nam of John Doe. Now let us suppose that i 1945 it still belongs to John Doe. You loc up the record and there it is registered in h name, whether or not you have re-registratio When he sells it he has to get a permit, an the application for that permit discloses whom he is going to sell it. The chap who going to buy it discloses on his applicatic for a permit the person from whom he going to buy it. By means of this quite rig system, a registry is built up which indicat those who own guns at every point of tim In this step we have taken we are followin the example of the United Kingdom whic has a much more rigid system of weapc registration than is prevalent anywhere this continent. I think that is the answer the points that were raised by the memb for Lake Centre.

Mr. Drew: No, Mr. Chairman, the minist seems insistent upon trying to create th impression that section 1 has an entire

different meaning from that which it has. He seeks to convey the impression that this reference to camps or mines or something of that nature—

Mr. Garson: Are we back on the other section now?

Mr. Drew: We are on the same section with which we were dealing. We have not left it.

Mr. Garson: The hon. member for Lake Centre was off it.

Mr. Diefenbaker: I was not off it at all. I mentioned the other points in connection with it, since they all had to do with the apparent solicitude of the minister to get rid of this section.

The Chairman: As I understand it, the hon. member had permission to deal with the two other sections because of their relationship to section 1.

Mr. Drew: That is right. There was a continuity in these sections, because they all dealt with the removal of certain requirements in connection with weapons. Sections 2 and 3, which were particularly under discussion, have to do with the relaxation of certain provisions with regard to pistols and weapons of that kind. The point I wish to make in regard to section 1 of the amending bill is that it is not limited to any particular kind of enterprise. It is any public work, and would include a hydroelectric plant. It would include a gas-operated plant.

Mr. Garson: Not a hydroelectric plant.

Mr. Drew: Why not?

Mr. Garson: Because it is not so defined. I shall read, if I may, the definition:

> "Public work" includes any railway, canal, road, bridge or other work of any kind . . .

The application of the *ejusdem generis* rule would exclude a hydroelectric plant. A railway, canal, road or bridge are all means of communication, and give meaning to that section, so it would not include a hydroelectric plant.

In any event, the substantial answer to all of these observations and arguments that are being put forward is that at this moment part III is not in effect in any part of Canada, because it has never been proclaimed. There has never been any demand for it. Its obsoleteness is indicated by the fact that no person has asked that it be put into effect. It is not, as the leader of the opposition would indicate, that we are taking away some protection which is now being had. It is not being had because no person has asked for it. Since we have something on the statute book for which no person has asked in twenty-two years, we think it is sensible to clear this debris out of the way in order that the commission can get on with its work.

Mr. Drew: There is no use, perhaps, in bandying words back and forth with regard to the definition, except that the English language is reasonably simple. "Public work" is a clearly definable thing, and in order that it should be extended beyond certain things not included in public works, in this particular case it is declared to include a railway, canal, road bridge or other work of any kind. Obviously that would include any public work in the ordinary meaning of that term. I shall not even attempt to contend that any other meaning can be given it because it is so obvious. The words "public work" indicate something that is known by every alderman in every municipality, and every member of every legislature. It is something that is known in every part of this country. The reference to railways, canals and so on is to make it clear there is no limitation, and this extends it beyond the ordinary scope.

My point is that at this time, far from doing anything that would make it easier to have weapons around any public works, we should be strengthening the law. Let us recognize one thing that we have not been prepared to recognize. Rifles and shotguns, no matter what other purpose they may have, are sporting weapons and are used for that purpose. It is because they are used for that purpose that there is a desire to make it reasonably easy for people to have them. Revolvers and pistols are in an entirely different category. It is only within a limited field that they may be regarded as competitive or sporting weapons. The great majority of crimes related to the use of weapons are related to pistols or revolvers. The crimes that are unsolved, the crimes in connection with which we can all remember the most terrible tragedy, were crimes that were only made possible because of the ease with which pistols and revolvers can be concealed. It is only rarely that you read of murders being committed with rifles or shotguns. There are cases, of course, but those are usually premeditated. The murders we read of where people have been picked up in automobiles, where someone in a store has been shot, where someone on the street has been shot in connection with some robbery, are almost invariably committed by persons carrying a pistol or revolver. I believe that far from being more easy-going about the carrying of these weapons, the time has come to tighten up the law in

this regard. Unless a person shows some good reason for having them, he should not be allowed to have them at all.

Section agreed to.

Sections 2 to 5 inclusive agreed to.

On section 6—*Forgery and penalty.*

Mr. Carroll: I fear, Mr. Chairman, that this amendment is going to create a lot of trouble and difficulties for crown prosecutors. The code specifies about fifteen or sixteen ways—I do not know how many—by which one can commit forgery.

An hon. Member: Forty.

Mr. Carroll: Forty, my friend says. This amendment makes it a general offence. That, of course, was done, I have no doubt, in order to avoid all the difficulties in connection with counsel getting up on every occasion and asking for particulars of the crime of forgery that was charged. I have nothing against it myself, as I never intend to practise criminal law especially again. But I am going to suggest that it is going to take up a lot of time of the criminal courts in cases of forgery when defence counsel gets up and says, "I want particulars of this thing." At the present time particulars are included in the charge of forgery that is laid. I would not think that any attorney general of any province, if he has ever practised before the criminal courts in charges of forgery, would be in favour of an amendment of this kind.

Mr. Garson: In reply to my hon. friend, I may say that this amendment was approved by the conference of commissioners on uniformity of legislation in Canada at their 48th meeting. This is a conference on which there are represented all of the departments of the attorneys general of the various provinces of Canada and the federal Department of Justice. They are supposed to be experts in their field. In their view the amendment is advisable. In addition to the awkwardness to which the explanatory note on section 6 of the bill refers, the explanatory note says:

> Sections four hundred and sixty-eight, four hundred and sixty-nine and four hundred and seventy specify over forty separate instances of forgery. It is unnecessary and cumbersome to particularize in this manner and the three sections have therefore been combined into one.

In other words, I think my hon. friend would agree that the prosecutor in these cases is, by the nature of the present law, called upon in the indictment to specify which particular one of the forty different varieties of forgery is the one involved in that particular case. Then if he does not bring along evidence to support that particular kind of forgery, there are certain handicaps which flow back upon the prosecution. By this group of experts it was thought that it was advisable to do away with all of these forty varieties and to have just one crime of forgery which would be applicable to any type of forgery at all.

Another of the difficulties that arise here is that under one of these sections the person convicted could get life imprisonment, under another section he could get fourteen years, and under another he could get seven years. If therefore you picked on one of the forty varieties that happened to be under the life imprisonment section, and all that you could prove was one that was under the fourteen years section, a quite unnecessary hiatus was created just by the terms of the legislation. It is in order to avoid all that and to simplify the criminal law that the conference of commissioners on uniformity of legislation in Canada recommended this amendment.

Mr. Carroll: My point is that it is going to take an hour longer to try every case of forgery, with the defence counsel getting up and asking for particulars which in every case the judge will force the crown prosecutor to give. You say that it does away with particularizing, but it does not; because in a case of this kind there is not a judge in the country who would not force the crown prosecutor then and there to give particulars of the kind of forgery it is, and he is confined to that in his case. That is the point that I am making.

Mr. Smith (Calgary West): I want to endorse all that the hon. member for Inverness-Richmond (Mr. Carroll) has just said. Let us assume that you are a crown prosecutor and you draw up your charge or indictment, depending on the province in which you are, and that you charge that so and so, between this day and that day, at a certain place, did commit forgery. That is permissible under the wording of this section as it now stands. Any defence counsel who knew beans about his business would first of all apply for particulars. Remembering that once particulars are given they become part of the charge, you find that you are right back where you are now, with the various divisions which are named. It is all right to say that there are forty different kinds of forgery; there might be more. But certainly any defence counsel who knows his business will have you choose one of those forty varieties. And it must be kept in mind that now, in stating your particulars, you have got to state them in such a way as to come within this general section, whereas before you could say he was

in breach of the section because the prosecution had set out the particular kind of forgery that he was committing.

I am going to agree with the minister in this. I wish we could simplify things. But I am much worried that by trying to simplify them, in setting out the sections of the Criminal Code, we are not succeeding in doing so. I speak not as an authority but certainly with some experience in these matters. I have convicted many people of forgery. Fortunately, on the other side of the picture, I have had the odd one who was perhaps not convicted. But I know this. Any lawyer in the world who was defending someone on a general charge of forgery, and who would proceed without having the most exact particulars, should have his gown taken from him and should never again be allowed to defend anybody in any court whatever.

However, as always here, we are largely in the hands of the minister who has been advised by various persons in the various provinces in Canada. But the fact that a man is an attorney general—and I speak from experience—does not mean that he knows anything about the criminal law. Let us stick to the practical situation. That is just what it amounts to. I can remember what happened in certain cases. Let us take a charge of conspiracy, under the section dealing with conspiracy, which had to do with prices and so on. I went through two or three courts two or three times to find out, and I had to draw those particulars; I was on the prosecuting side. It was a difficult job; and as has been said by the hon. member for Inverness-Richmond (Mr. Carroll), our experience is that the courts will always grant particulars. They always should. Why? Because the liberty of the subject is at stake, and he is entitled to know, to the last detail and comma, what it is the crown intends to prove against him. I have excellent support in the hon. member for Inverness-Richmond, but I hate to put myself up against the so-called experts, and I do not use that word derisively at all. It is all right to sit back, but when you get down there in front of that judge and jury, I know what happens. You give particulars. The minister had something to say about the different penalties. Of course there should be different penalties. Some forgeries are infinitely more serious than others. Let us assume that the forgery is of the type where a crown document or something of that kind is forged. Of course the most severe penalty should follow. Whereas if it was merely the forging of a little $5 cheque, which has become almost a diversion in some parts of the country, it would not be treated really with great seriousness; or if it were the signing of somebody's name to a subscription for a magazine or something of that sort it would not be quite so bad. Certainly there should be differences in penalties.

There may be some logical support for the argument that in dealing with crimes infinitely more latitude should be given to our judges.

Mr. Garson: That is what this provides.

Mr. Smith (Calgary West): If that is the minister's idea, I do not know why we should stop with forgery. We have a great deal of work in front of us in dealing with many kinds of crime. I would be inclined to agree with him as to more serious crimes. Let us take assaults. The language of "common assault" covers every kind of assault. You may tear half a man's head off, or you may just put your fist toward him or point your finger at him and it is common assault, but some are much more serious than others. Our code has provided for that in the section dealing with assault occasioning actual bodily harm. What is it when you draw blood, and so on?

An hon. Member: Grievous assault.

Mr. Smith (Calgary West): There are a number of degrees that are provided for by the code, and I have never yet heard any complaint about them. In advocating this change I wonder whether the Minister of Justice is not putting our courts and counsel into much greater difficulty than they are now.

Perhaps I should say this. I agree with him in that I do not like to see people who are obviously guilty get off on highly technical grounds. We all know that is a bad thing in the administration of justice, but you will never cure it.

The fact is that these various kinds of forgeries have been worked out down through history, and they all stem from the administration of the criminal law in England. They have all had a great reason behind them. It does seem to me to be a mistake for anyone in this house to rush hurriedly into the elimination of a practice which through experience has proven to be good. It is something that requires, let us say, hesitancy. I do not use any stronger word than that. However, I am bound to say this, I am not going to vote against it. I assume that the minister has given it careful consideration; I assume that he has had the advice of a lot of big names behind him; but a little police court lawyer like myself

is telling him that he is looking for trouble right through the piece in passing this kind of legislation.

Section agreed to.

Sections 7 and 8 agreed to.

On section 9—*Adjournment of hearing.*

Mr. Diefenbaker: The amendment is to provide a method by which a justice conducting a preliminary inquiry may remand a person appearing before him, for mental examination. Paragraph (f) reads:

where in his opinion there is reason to believe that the accused person is mentally ill, order that the accused be remanded in such custody as he directs for observation for a period not exceeding thirty days.

Who asked for this? Is it at the request of any attorney general?

Mr. Garson: This amendment was approved by the conference of commissioners on uniformity of legislation in Canada, criminal section, at their 1948 meeting.

Mr. Blair: Does this not seem to be a dangerous type of clause? It leaves the finding of this to the justice. It does not say on the evidence of competent authorities; it says, "where in his opinion." If a justice has the power to commit any person to a mental institution on his own say-so without the evidence of psychiatrists, it seems to me a very serious thing. There is nothing in the clause about calling any witnesses. It says, "where in his opinion." I submit that would be a very dangerous thing to put in the possession of any justice. The justice himself might be suffering from delusions.

Mr. Garson: Perhaps my hon. friend is not aware of the fact that in some provinces at the present time persons who are accused of indictable offences and about whose mental condition some question has been raised are subject to mental examination under provincial statute. There is a procedural difficulty that arises here which is the occasion for this amendment, because, when these people are subject to an examination under provincial statute, the Criminal Code provides that in the case of a preliminary inquiry they can remand only for eight days. In most of these cases it requires more than eight days to conduct a proper examination of these people whose sanity is suspect. This section enables the judge, who is in charge of the preliminary inquiry, to give a remand not for the eight days provided in the Criminal Code but for a period of thirty days.

Mr. Smith (Calgary West): Is the minister quite right about that?

Mr. Garson: Yes.

[Mr. Smith (Calgary West).]

Mr. Smith (Calgary West): Is not the eight-day remand only for people who are in custody?

Mr. Garson: No.

Mr. Smith (Calgary West): Oh, now; persons on bail can be remanded for any length of time.

Mr. Garson: I will give my hon. friend the section of the code. It is section 679, subsection 1, paragraph (c), which reads—

Mr. Smith (Calgary West): Do you want to bet any money?

Mr. Garson: Yes; I will bet you $5.

Mr. Smith (Calgary West): I hope I may be forgiven for that. That is a breach of our rules. It is my fault, not yours.

Mr. Garson: The section reads:

A justice holding a preliminary inquiry may in his discretion

(c) adjourn the hearing of the matter from time to time and change the place of hearing, if from the absence of witnesses, the inability of a witness who is ill to attend at the place where the justice usually sits, or from any other reasonable cause, it appears desirable to do so, and may remand the accused, if required, by warrant in form 17: Provided that no such remand shall be for more than eight clear days, the day following that on which the remand is made being counted as the first day;

(d) order that no person other than the prosecutor and accused, their counsel and solicitors shall have access to or remain in the room or building in which the inquiry is held, if it appears to him that the ends of justice will be best answered by so doing;

Mr. Smith (Calgary West): You had better pay up, had you not?

Mr. Garson: No.

Mr. Rowe: It is a good thing we followed our rules, or you would have lost your money.

Mr. Garson: No.

Mr. Smith (Calgary West): That is the law. On a preliminary hearing the justice may remand the accused for a month, if he wants to, provided he is on bail. If he is in custody it is a different thing. The main reason for the eight-day limitation is that the man is in custody. That is the original reason for the section that the minister has just read. The last part of the section that the minister read is the part that makes it so plain. The position I took with the minister is quite correct. I have spoken to it dozens of times. Probably I was present when it was argued out some years ago, and it has been followed ever since, that the person having authority to hold the preliminary inquiry can make a remand—I do not want to make it too big—for thirty days, if he wants to, if the person is on bail. If the person is in custody, eight days is the limit.

Mr. Garson: Mr. Chairman, all I can say about that is that, if my hon. friend is right, the conference of commissioners is wrong. The express reason for this amendment recommended by them at their 1948 meeting is to provide for a thirty-day remand where there is now a remand for only eight days. If that necessity did not exist, this amendment would not be asked for.

Mr. Smith (Calgary West): That is where a man is in jail.

Mr. Stewart (Yorkton): By consent it can be extended, but otherwise it cannot.

Mr. Garson: May I suggest to the hon. member for Yorkton that a man whose sanity is suspect cannot give consent.

Mr. Smith (Calgary West): I should like to say a word about sanity. I wonder if the law in the various provinces is the same as it is in Alberta. It may appear from certain indications, and from proper evidence, that a man is mentally ill, of unsound mind. My memory is that at the present time, on warrant of the attorney general, he may be committed to a mental institution.

This has always worked out very well. A moment ago the hon. member for Lanark said something which gave me some concern. It may be that in provinces like Ontario and Quebec, where the population is dense, you always have persons conducting preliminary hearings who have had a good deal of experience and who are capable of exercising the most excellent judgment. However in those areas from which the hon. member for Yorkton and I come—and one could include the whole of the north country—we have a different situation. In those areas we may have justices of the peace who, in their normal lives, are merchants, real estate men or blacksmiths; they may have many occupations, and let no one think that I am criticizing any of them. The country was built up by the fine services rendered to our courts by those men of good common sense.

It does seem rather strange however that inexperienced persons should be able to remand individuals for thirty days for a mental examination. Surely some better provision than that is required—and I am hoping that the hon. member for Yorkton will support me in this. It does seem to me that the suggestion that has been made gives altogether too much authority to some of our justices of the peace, when they are permitted to remand persons requiring such examination for a period of thirty days, without first having laid down some conditions, or the provision that the attorney general issue a warrant.

I am not suggesting that I will vote against this, but I am wondering if the Minister of Justice has given the matter as serious consideration as I am sure he thinks it deserves.

Mr. Blair: As this stands, it may be left in the hands of a justice of the peace where, in his opinion, it is proper to do so. No one has been called in, and I am suggesting that the provision whereby a justice can send a person to a mental institution for thirty days, for examination, would seem to be placing a great deal of power in his hands.

If the section read, "when on the evidence of a competent authority" or something of that kind, it might be understood that such power could be given to a magistrate. But there is no mention about examination, or anyone being called in. It refers only to his opinion, and that seems to be giving the magistrate a great deal of power.

Mr. Garson: May I call the attention of hon. members to the fact that in some provinces, under provincial statutes, this power is now exercised; and it is in that connection that this provision is inserted, so that there can be no question as to the length of time during which a justice can remand a prisoner.

I believe there is some merit in the point raised by the hon. member. But the man would be remanded for observation; it is not as though he made a finding as to sanity. The remand is for purposes of observation by people whose evidence as to mental condition would not carry any weight unless they were competent in their fields.

Mr. Blair: But it leaves a stigma on the man involved.

Mr. Smith (Calgary West): Perhaps not throughout the whole of Canada, but certainly in some parts of it, the term "jail" or "place of confinement" includes mental institutions. That is the only place to which a person of this kind would be admitted.

Use is made of the word "certify" rather generally in respect of people who are mentally ill. Then, when a person is charged, a magistrate can act only on the advice of two physicians. That is the only way in which even the wildest lunatic can be sent to a mental institution, which is a place of confinement. Then he can be released only on an attorney general's warrant.

I quite agree with the hon. member for Lanark that to have a situation such as he has described, wherein a justice of the peace may do something as a result of his opinion, and without prescribing that there shall be evidence from which he could form such an opinion, is carrying things altogether too far,

and putting too much power in the hands of a man who, honest as he may be, perhaps is not trained to understand insanity.

We know that insanity is a most peculiar ailment. It has never yet been defined satisfactorily by any psychiatrist in the world. In fact, when I cross-examine a psychiatrist my first question always is: What is insanity? I have asked that question dozens of times, and I have never yet heard one psychiatrist who could answer that simple question in any other way than, "It is a departure from the norm." And then the question comes, "Whose norm—mine, yours or somebody else's?" It does seem to me that before a person can be put away for thirty days some other protection should be given. Remember, those in mental institutions are permitted to see their friends only when the people in charge give permission. Their rules are even more strict than those which prevail in the jails. That is necessarily so, and I am not arguing against it.

I do suggest with the greatest respect however, that some further consideration should be given to this matter. In Alberta we have about eight hundred justices of the peace, and in Ontario I suppose they are numbered in thousands. But to place in the hands of an inexperienced man the power to put you or me away for thirty days—true, in order that we may be examined, which is a splendid thing, but without some evidence that we require examination—seems to me to be going altogether too far in dealing with the terrible problem you and I know insanity is these days.

Mr. Stewart (Yorkton): I regret that I have to agree with the hon. members for Calgary West and Lanark, but I like to be frank about these matters. Those of us who have had experience with the justices of the peace in our province—and I think possibly the same applies to Manitoba—have not very much confidence in some of them. Any lawyer who has appeared before them knows the difficulties with which he is faced. The practical effect of the section is simply to give power to a justice of the peace to declare anybody who is a mentally fit person to be remanded to an institution. I do not know why you are introducing the section, but under it a justice of the peace can remand anybody. If the hon. member for Calgary West came before a justice of the peace I could urge that he be examined as to his mentality. He might strenuously object to it. He might say that he did not want a remand and that he was mentally sound, but the justice of the peace could remand him under this section, and keep on remanding him. I rather think the section should stand unless there is some explanation. Frankly I must say that I have always believed in the system of using magistrates. These men are schooled in law, know their law, and when you come before them you know that, so far as evidence or law is concerned, your client is going to be treated fairly. In the province of Saskatchewan ninety per cent of our justices of the peace never knew any law and never should have been appointed.

Mr. Garson: Mr. Chairman, if the amendment were capable of the interpretation which has been placed upon it I do not think for a moment that it would ever have been approved by the conference of commissioners on uniformity of legislation which, as the hon. member for Calgary West knows, is not made up of attorneys general but consists of the legal advisers of the attorneys general, men who for the most part have a special competence in this field.

Mr. Smith (Calgary West): Yes, but they are all prosecutors.

Mr. Garson: Not by any means.

Mr. Smith (Calgary West): Yes, they are.

Mr. Garson: I know some of them very well and so does my hon. friend. Is Murray Fisher a prosecutor?

Mr. Smith (Calgary West): I mean they have that complex.

Mr. Garson: I am sure all hon. members who have spoken will agree that what one has to keep in mind is that the laws with regard to the establishment of mental institutions, treatment therein and mental diseases are all provincial statutes. Under these laws the greatest possible protection is given to the subject so that he cannot be adjudged to be insane or in a sick mental condition until he has been carefully examined according to the routine laid down in the provincial laws.

Mr. Smith (Calgary West): Suppose he is not insane; he has served thirty days.

Mr. Garson: The custodian into whose hands the justice of the peace would remand such an individual would be a competent person under the provincial statute.

Mr. Smith (Calgary West): A mental hospital.

Mr. Garson: Yes.

Mr. Smith (Calgary West): An insane asylum.

Mr. Garson: Let us assume that a given justice of the peace may have been in error in his reaction to the appearance of the accused, that he wrongly thought that the accused should be subject to examination, and that he wrongly, if you like, remanded him into such custody. The immediate reaction

would be that he would be declared to be perfectly sane, would come back, and the trial would proceed. Actually, as those who have been practising criminal law to a much greater extent than I have know—I do not pretend to be an expert in that field at all—in most cases this is a device which is employed not against the interests of the accused but for his protection. Insanity is a defence that may be raised, and the only way in which he can be found to be in that condition is not by compliance with any law this parliament may pass, because that does not happen to be under our constitutional jurisdiction. It is the provinces which declare what mental diseases shall consist of, and who shall decide as to what they consist of.

At the present time in some provinces persons accused of indictable offences who are appearing before magistrates on preliminary hearing are being remanded into such custody, but they run into this procedural difficulty. It is to cure the procedural difficulty beyond any peradventure that these people—and I mean this in no offensive sense at all—have made a point of studying this matter, in order to discharge their heavy responsibility of coming to an agreement and recommending it for consideration by the Department of Justice, as I am now recommending it for consideration by the House of Commons. After careful study of this matter I seriously recommend the section now before you. If I thought for one moment that the section was susceptible of the interpretation placed upon it by the hon. member for Lanark, the hon. member for Calgary West and the hon. member for Yorkton, I would not think of bringing it before the house.

It seems to me, however, that it is a wise thing to regularize the procedure in preliminary inquiries, and any findings as to mental disease in connection therewith must be carried out by the properly qualified people within the provisions of the provincial statute.

Mr. Smith (Calgary West): But a justice of the peace can do it if in his opinion he thinks it should be done.

Mr. Garson: He simply remands him into the custody of properly qualified people.

Mr. Smith (Calgary West): Let us say that the man is all right. I am sure the minister has been up against this case many times just as most of us have. You know that our jails at times have held innocent men, although frankly I do not know very many. Let us say you go down to the jail and talk to a fellow through the bars. He says, "They cannot put a man in jail for this, can they?" You say, "No, they cannot, but you are there and I am here." What you are giving the justice of the peace power to do is to put that man away for thirty days. Let us say that at the end of thirty days everybody finds he was perfectly sane and that he was wrongly accused. Here we have the legalized incarceration of an innocent man for thirty days, and there is not a thing that he can do about it civilly or in any other way because the justice of the peace says "In my opinion he should have been remanded to that institution."

I have been very moderate in my remarks, and if in what I have just said I have made a single misstatement or drawn a wrong inference I hope somebody will tell me. As the hon. member for Yorkton said, we are placing in the hands of an individual the power to put an innocent man away for thirty days. There is not a thing he can do about it when he gets out, no matter how innocent circumstances may have proven him him to be. That is my last word.

Mr. Blair: It seems to me that the section should have some such words added to it as "if in the opinion of competent witnesses". A man is sent to a mental institution for thirty days. If I were sent there under such circumstances I would always feel that there was a certain amount of stigma about having been in a mental institution. I should like to point out to the minister that so far as the Criminal Code is concerned the question of insanity complicating murder cases has not been revised in over 110 years. The whole Criminal Code reeks of a lack of knowledge of psychiatry as a new science. Nothing has been done in that regard in 110 years. We are still following an outworn piece of legislation.

Mr. Smith (Calgary West): The Macnaughton case.

Mr. Blair: The proposal contained in this section is retrogressive. A magistrate without knowledge of psychiatry is given the power to decide that in his opinion a man is acting in a peculiar way and, as the hon. member for Yorkton has said it may work both ways. I am particularly concerned about the innocent person who is sent there and has that stigma placed upon him. If we could add something like "upon the evidence of competent witnesses" that would clear up the whole business. Then no magistrate could send a man to a mental institution for thirty days if that man were innocent as far as insanity is concerned. It means something in that man's future.

Mr. Garson: I do not like to protract this discussion unduly, but there are some excellent criminal lawyers here in the persons of

the hon. member for Calgary West and the hon. member for Yorkton. I put it to them, and I hope they will correct me if they think I am wrong, that here we are talking about the preliminary inquiry of an accused charged with an indictable offence, that is, an offence of some seriousness. He has this charge against him, and it may be that the only defence available is the defence of insanity. So I put it to my hon. friends whether, in the actual conduct of these preliminary inquiries, in nine cases out of ten it is not likely to be counsel for the accused who will ask for this remand.

Mr. Smith (Calgary West): Very often; but in my experience any counsel who on a preliminary hearing calls the accused person to give evidence is nothing but a fool. I understand the minister, however; I have asked the crown to do this in the case of men I thought were a little queer, but I have had them examined by two doctors.

Mr. Garson: Take the case of some poor chap who has no money, who faces a very serious charge and who appears to be mentally unbalanced. What is more reasonable than that his counsel should say, at this early stage of the proceedings, "Remand this man into the custody of a mental institution and have him checked up. If he should be insane, that is an end of the matter."

Mr. Smith (Calgary West): Then why not say "at the request of the accused" if that is what you mean?

Mr. Garson: I am dealing with this section as it comes to the department from people whom we regard as highly competent to recommend it to us, and who have given very careful consideration to it.

Mr. Adamson: I just want to suggest that in section 1054 of the Criminal Code, dealing with the sexual psychopath, you must have two psychiatrists in order to sentence the accused. Why in this case would you not recommend psychiatric treatment or study as well?

Mr. Garson: But that is precisely what the magistrate has power to do, remand him into the custody of the people who under provincial statute have power to ascertain whether he is fit to stand trial. You do not remand him to a garage keeper, but to those who under the provincial statute have power to declare him sane or insane.

Mr. Carroll: In my province no mental hospital will accept a patient on the authority of a justice of the peace, so that is out as far as Nova Scotia is concerned. The only thing a justice of the peace can do is have a man examined by two doctors, whether they are psychiatrists or not, and it is those doctors who declare whether he is a fit subject for the institution. He will never get into it by the decree of a magistrate or anyone else. He can only be sent to the institution on the authority of two medical men.

Mr. Macdonnell (Greenwood): I have neither the knowledge nor the experience to comment on the legal point involved, but I have listened to this discussion and have been struck by one or two things I should like to place before the committee very briefly. We have had a competent physician and at least three competent counsel express the view that there are great differences about this. The minister has been frank enough to say that he has not the experience in criminal law of the hon. member for Calgary West or the hon. member for Yorkton, and if I may say so with respect he is probably quite right; he has been occupied with other things. But now apparently this is to go through.

What has the minister given as a reason for its going through in spite of these difficulties? I took down what he said. It is going to be put through regardless, apparently, because it has been recommended by people who in the opinion of the minister would not have recommended it if it had not been right. These people are not here; they have not heard this discussion. It is conceivable that if they had heard it they would have changed their minds; there is no certainty about that. Then the minister said that if he thought for a moment this could have the result that has been stated by people who he admits are more competent in criminal matters, he would not put it through. So we have it supported by the silent evidence of people who are not here. The minister assumes that they would not change their views if they were here, though that cannot be proved. But notwithstanding his modest disclaimer of knowledge, the minister still undertakes to say that these other views are wrong, because he admits that if he thought for a moment there was anything in them he would take a different view.

I just want to ask this. Are these bills that come before us here like the laws of the Medes and Persians in that they cannot be changed; or when we come into this committee do we undertake to discuss these matters? I want to tell the minister that even in the short time I have been in this house I have seen ministers of justice who in these circumstances would say, "I will take another look at this and not force it through."

Mr. Cruickshank: I would like to ask one question, if I may, and I am speaking as a layman. Would the same examination, of

which we have heard so much from the other side, be given members of parliament?

The Chairman: Shall the section carry?

Mr. Blair: I desire to move an amendment, Mr. Chairman, which I am preparing now.

Mr. Smith (Calgary West): Why not let it stand for a while?

Mr. Stewart (Yorkton): I think the minister might consider the fact that justices of the peace in different provinces have different qualifications, as he knows. Down east it may be that they are usually qualified lawyers; I do not know. The minister has said that this is being done on the recommendation of the bar, in the interests of uniformity of law enforcement, but I think he might seriously consider adding some such words as "on the application of the accused or his counsel." Under our own mental act in Saskatchewan I have had difficulty getting people out who had been wrongly committed because there, as the minister knows, relatives can go and commit them. We do not want anything like that.

Mr. Garson: As I understand, the hon. member for Lanark wishes to submit an amendment, so we had better let this section stand for that purpose.

Section stands.

Sections 10 and 11 agreed to.

On section 12—*Using evidence taken below.*

Mr. Diefenbaker: In some states of the union now evidence is taken by recording machines, and I have seen references by some judges in Canada to the fact that under our law the use of such machines is not permitted.

Has the minister considered making the necessary amendment to permit the taking of evidence in that way?

Mr. Garson: The answer, Mr. Chairman, is that we have not so considered. Ordinarily representations upon a matter of that sort would come from those who have charge of the administration of justice in the provinces. If they felt that recording machines of that sort would be more effective than court stenographers, and felt an amendment to the Criminal Code would achieve that result—

Mr. Blackmore: Will the minister speak more loudly, please.

Mr. Garson: The hon. member for Lake Centre asks whether we have considered substituting recording machines for court stenographers.

Mr. Diefenbaker: No, allowing the use of recording machines.

Mr. Garson: Allowing the use in Canada of these recording machines to take the place of court stenographers. My reply is that in matters of this kind which have to do with the administration of justice carried on under the responsibility of the attorneys general of the provinces, we ordinarily do not enforce upon them any new methods for which they do not ask. I think I am right in saying that we have received no representations from any of the attorneys general requesting permission to use such machines.

Section agreed to.

Sections 13 to 17 inclusive agreed to.

On section 18—*Sections repealed.*

Mr. Diefenbaker: I believe the move made in section 18 of the bill is a good move. It does away with the moiety provisions. I am interested in knowing when the suggestion was first received by the minister for the removal of these several sections. Over the years they have constituted on occasion an invitation—I shall conclude my remarks there—that has not been conducive to the best administration of justice.

Mr. Garson: Mr. Chairman, this is a case where I believe the department can take some credit. We share the views of the hon. member, and we are asking for the passage of the amendment to do away with moieties. So far as I am aware there have been no representations by anyone. This is an original idea of our own.

Mr. Diefenbaker: To what extent have these sections applied? Has there been a distribution of moneys during the past year under these several sections?

Mr. Garson: I do not think so. These moiety sections have not been of very frequent invocation in this country. As my hon. friend knows, there were some countries in which people made their living by this sort of thing, but so far as I am aware that has not been true of Canada. While we affirm it is an excellent principle to abolish these moieties, the hon. member might take this as another example of an obsolete section which is being eliminated.

Mr. Diefenbaker: No, it was not obsolete. It was used quite frequently.

Section agreed to.

On section 19—*"Attorney general" for "Minister of Justice."*

Mr. Adamson: I should like to point out to the minister that section 19 makes it necessary for a psychiatrist to be in court before sentence can be passed upon a criminal sexual psychopath.

Mr. Garson: Before it is established that he is a criminal sexual psychopath. I believe if the hon. member refers to the relevant provincial statutes he will find it requires two psychiatrists to establish the insanity of a person.

Mr. Adamson: I believe it is a good clause, and I am in favour of it.

Mr. Diefenbaker: My hon. friend says it is a good clause, and I recall all the approbation that was given to it when it was introduced and passed in 1948. Since that date, how many persons have been declared criminal sexual psychopaths, and liable to indeterminate sentence? To what extent has the section actually been used?

Mr. Garson: Not to a very great extent. The number of sentences of an indeterminate character—I do not think I can give the number from memory—I believe would be less than half a dozen. It depends a good deal on the attitude which is taken by the prosecutor in individual cases. We provide the law, but the use that is made of it depends upon the policy of the prosecution which is carried on in the individual provinces. It is the same with regard to the amendment to section 207 of the code concerning crime comics; we provided the law but whether or not it is invoked is another matter.

Section agreed to.

On section 20—*Commencement of sentence.*

Mr. Smith (Calgary West): Will the minister give us a brief explanation of this section? Perhaps I may ask a question to simplify it. Is the object of this section to make sure that, in all cases, sentence shall begin from the date it is imposed? Is that what is sought here? Perhaps I should speak of the exception. In the event that someone appeals, and his appeal is dismissed, as we have it now his term does not begin until the date of the dismissal of his appeal. As I understand, that is the law at the present time. Does this alter that situation?

Mr. Garson: I do not believe I can answer the question in quite the simple terms in which the hon. member has put it. The present provisions relating to the commencement of sentences are now found in the Criminal Code itself, section 1019 (2), the Penitentiary Act, 1939, sections 47 (2) and 49 (4), and the Prisons and Reformatories Act, section 3. These provisions, by reason both of their dispersement and of overlapping, are confusing and it is desirable that such provisions be consolidated in one place. The purpose of the present amendment is to consolidate them all in one place.

Clause 20 accomplishes this by inserting a new section, 1054B in the Criminal Code, and the existing provisions are repealed by sections 17, 22 and 23. Section 20 thus effects a consolidation without making any material change in the present law. It does, however, clear up one point in connection with applications for leave to appeal. In some cases the code confers upon an accused person the right to appeal without leave; for example, in the case of a person convicted on indictment who desires to appeal on a question of law alone. In other cases the code confers a right of appeal subject to obtaining leave of the court of appeal; for example, an appeal from sentence or an appeal on the question of fact alone. Section 1019 (2) now provides that the time during which a convicted person is on bail pending the determination of any appeal, and the time during which he is detained in jail pending the determination of an appeal, shall not count as part of his term of imprisonment. The new section 1054B makes it clear in subsection 5 that an application for leave to appeal is to be considered in the same light in this regard as an appeal itself.

Mr. Adamson: Shall time spent awaiting trial be considered?

Mr. Garson: Awaiting trial of an appeal?

Mr. Adamson: No. When a man is arrested and held without bail until his trial, which may await the assizes for two or three months, is that time considered?

Mr. Garson: The time he has spent in custody awaiting trial is taken into account by the judge when he imposes the sentence. This present section deals with what happens to him after he has lodged an appeal against that sentence. It is the time that he is in custody awaiting the hearing of the appeal.

Mr. Adamson: Are the sections of the other act going to be repealed?

Mr. Garson: Yes.

Section agreed to.

Sections 21 to 23 inclusive agreed to.

On section 24—*Coming into force.*

Mr. Knowles: Before this section is carried, can the minister tell me whether part XVI of the Criminal Code, which was adopted in

1948, has yet been proclaimed? That is the part headed "Summary trial for certain indictable offences". The matter was under discussion last fall, in September; and at that time it had not been proclaimed.

Mr. Garson: I am sorry, but I was engaged in conversation with my colleague, and I did not catch my hon. friend's point. It was with regard to part XVI, was it?

Mr. Knowles: That is right.

Mr. Garson: Part XVI has always been in effect.

Mr. Knowles: No. The matter was under discussion here on September 27, last fall. At that time the minister indicated that it had not yet been proclaimed. It had been passed only the year before.

Mr. Garson: I think I get the point of my hon. friend's question now. Certain amendments with regard to this part were passed at the last session of the house.

An hon. Member: No.

Mr. Knowles: In 1948.

Mr. Garson: Yes, in 1948. Before they went into effect, we wanted the municipalities and organizations to be thoroughly aware of what their purport was; and they have not been proclaimed until that condition has been satisfied. I think at the present moment they are not in effect.

Mr. Knowles: Not yet proclaimed?

Mr. Garson: No, not yet proclaimed.

The Chairman: Shall the clause carry?

Mr. Smith (Calgary West): No, I do not think we should pass clause 24 just at the moment. You will find that it has a provision bringing this act into effect on the first day of May, 1950. I do not think the minister would want to carry that provision.

Mr. Garson: No, of course not.

Mr. Smith (Calgary West): We had one section that has been allowed to stand, and I think this one might stand also.

Mr. Garson: This clause was put into the bill at the time it was introduced in the Senate, in the expectation that it would go through there, come here and be dealt with before the first of May. Now that it has not been dealt with by the first of May, we should delay it, I should think, until July 1 at any rate; and I think we had better leave it here, and we can ascertain the proper date.

Mr. Smith (Calgary West): I was merely trying to tidy it up. I knew that the minister would not want it to pass in that form.

Mr. Garson: The point made by my hon. friend is quite right.

Mr. Smith (Calgary West): Why not let this clause stand along with the clause that has already been allowed to stand, and it can be amended at that time.

Mr. Garson: All right.

The Chairman: Clause 24 stands. We shall now revert to clause 9.

On section 9—*May remand for observation.*

Mr. Blair: I move:

That subparagraph (f) be amended by deleting from the first line thereof the words "where in his opinion" and substituting therefor the following: "when requested by the accused or where in the opinion of at least two competent medical experts."

Mr. Smith (Calgary West): I am going to suggest that the amendment stand along with the section. As I understood the minister a few minutes ago, he was going to have another good look at the section itself and see whether or not he wanted it to go through. Unless someone has something more to say, there is not much object in our discussing the amendment when it may be that in fact, on contemplation, the minister may want to alter the section itself. I think the hon. member for Yorkton would agree with me that we thought it was going to stand until it could be re-examined.

Mr. Fulton: The minister never said that.

Mr. Smith (Calgary West): That being so, we do not want to press the amendment now or to press the section. If we do, no one will have had a chance to re-examine it on the points we raised a while ago.

Mr. Fulton: The minister never said he would let the section stand.

Mr. Smith (Calgary West): Oh, yes.

Mr. Fulton: Not yet.

Mr. Stewart (Yorkton): The proposed amendment is not in legal language; it says "where in the opinion of two medical experts". That is not legal and has no effect.

Mr. Smith (Calgary West): I want to be put right on one question of fact. My memory is that this section was allowed to stand, and the Chairman said "stand". I am right in that, am I not, with regard to section 9?

Mr. Rowe: Surely.

Mr. Smith (Calgary West): Then let it stand. I should like to talk to the minister about it.

Mr. Stewart (Yorkton): Unless the minister would agree with the words of the amendment "or is requested by the accused".

Mr. Smith (Calgary West): Why not let him take a good look at the whole thing?

Mr. Garson: I think the better way would be to let the section stand in the bill and report progress. Then we will look at it again. We have every desire to give heed to the suggestions that have been made; and if they are weighty, we should give them weight.

The Chairman: Shall section 9 stand?

Some hon. Members: Agreed.

Section stands.

Progress reported.

WAR VETERANS ALLOWANCE ACT

PROVISION FOR BENEFITS FOR CERTAIN FORMER MEMBERS OF FORCES OTHER THAN CANADIANS

The house resumed, from Thursday, May 18, consideration in committee of Bill No. 180, to amend the War Veterans Allowance Act, 1946—Mr. Gregg—Mr. Dion in the chair.

On section 1—*Newfoundland veterans.*

Mr. Pearkes: Many representations have been made in previous discussions on this bill that some of the benefits should be extended to other classes of veterans. Since those representations were made I am sure the minister has had time to discuss that matter with his colleagues, perhaps, or anyway to form an opinion. Will he say whether he is prepared to make any further extensions of these benefits to any of the other classes of veterans, as recommended during the previous discussions on this bill?

Mr. Gregg: No, Mr. Chairman, not in this bill.

Mr. Pearkes: I am sorry that cannot be done; but if the minister has definitely decided upon that and assumes the responsibility for not extending these benefits, then may I say that, in my own personal opinion, we should try to get passed through as soon as possible what benefits are now being offered to the imperials or to the men who are already covered.

Mr. Cruickshank: I wish to ask the minister a question, but I do not know whether this is the proper section under which to ask it. If I am out of order, and I seldom am, I should be glad to know. Every responsible veterans' organization that I know of has made recommendations in connection with this matter. I am pleased that allowances have been made to imperial veterans; but I am particularly anxious to know whether this is the clause under which I should discuss the imperial veterans' widows. I should like to see them afforded the same treatment under the act as Canadian veterans receive.

Mr. Gregg: Yes, Mr. Chairman; as discussed before, the widows of British and allied veterans of twenty years' residence in Canada will become eligible under this bill, and will be treated in exactly the same way as widows of Canadian veterans.

Mr. Green: And the minister has not deviated at all from his original position, which was that unless the imperial veteran had been alive in Canada for twenty years the widow could not qualify. That is still the position?

Mr. Gregg: That is correct. That is the position I took when the bill was first introduced, and that is the position, I contend, which is the correct one with relation to those now eligible under the bill.

Mr. Cruickshank: I may be a little dense, but I should like a little more explanation from the minister through you, Mr. Chairman. Probably I have not grasped it as I should have. I have been speaking for my own Legion, and I believe for the Legion of the province of British Columbia. We think that wives of those imperial veterans who resided twenty years in Canada should have the same consideration under this particular act as the Canadian veterans. Some of us have been very fortunate in our marriages; some have not been so fortunate. Some may have been married only nineteen years. We have had so much legal discussion tonight that I have become almost legal-minded. I cannot put my point in legal language; it would be too involved. The point I am trying to make is this. A married veteran may have been in Canada twenty years, but he may have been married for only nineteen years. I want to be corrected in this if I am wrong. I have listened to the hon. member for Lake Centre and a few other hon. members taking part in legal discussions tonight and I am beginning to believe that I am legal-minded, but I am not. My contention is that we want every imperial veteran or a veteran of any other allied country who has resided here for twenty years to be accorded the same treatment under the War Veterans Allowance Act as a Canadian veteran. I think the Legion of British Columbia, and certainly my own branch, believe that the widows of the imperial veterans should have the same treatment as the widows of Canadian veterans. Am I wrong or am I correct in my assumption?

Mr. Gregg: The hon. member for Fraser Valley is exactly correct. The benefits accruing in this case flow to the wives or the widows through the veterans. The veteran is the person to be recognized; and the wife of the British or allied veteran in Canada twenty years who may have been married after ten years in Canada, but who

otherwise qualifies, would be eligible if she became a widow just the same as the Canadian-born veteran married ten years ago.

Mr. Lennard: I regret that some consideration has not been given to widows of those imperial veterans who came here over twenty years ago. I do not want to cite any particular case, but I know of several cases. I know of one case in particular where the veteran came out here in 1922. He lived here for twelve years and then died. He left his wife with small children. She struggled, and through her own efforts raised those children. Now she is denied this pension because she was not fortunate enough to have her husband live for twenty years in this country. I think it is a shame that a case like that has not been given some consideration.

Mr. Brooks: I agree with the other hon. members who have spoken. There is one question I should like to ask the minister. Why is it that we stick to the twenty years? I do not see any logical reason why it should be twenty years. I think it was because we followed the Old Age Pensions Act which required that a foreigner had to be in this country twenty years before he qualified for an old age pension. In studying the old age pensions acts of other countries I have found that they do not require the same length of time. If an alien enters into any of those countries and takes out citizenship within five years, in most of the countries he qualifies for the old age pension. I do not see any particular reason why we should stick to the twenty years. We are amending the act. It seems to me that a shorter time should be specified, which would permit the widows of those imperial veterans to receive the benefits which their husbands would have received had they been here a certain period of time. I should like the minister to explain why twenty years was selected as the time.

Mr. Gregg: The hon. member for Royal is the first person who has suggested that the time should be less than twenty years. The hon. member for Vancouver-Quadra took up the suggestion the other night, looked at it, and then discarded it.

Mr. Green: No, I did not.

Mr. Gregg: Put it to one side; I will put it that way. To answer my hon. friend directly, the reason the twenty years has been taken is that all those who have been interested in this question for the last ten years felt that twenty years was a reasonable period of time. It was a period of time, more or less taken by rule of thumb, that it was felt would be fair. From 1920 to 1930 the greater number of these men came to this country. There were a comparatively small number between 1930 and 1940. Then of course the larger group that has come in since the end of the last war will be for somebody else to worry about some fifteen or twenty years hence.

Mr. Green: Of course the picture is that the veteran who came here in 1920 and then died before 1940 left his widow in this position that she gets no help.

Mr. Gregg: Quite right.

Mr. Gillis: I should like to get that point cleared up because it is pretty sticky. I refer to the point that the hon. member for Royal made reference to and the one that the hon. member for Fraser Valley is not clear on. No matter when the imperial veteran married, if he was in this country for twenty years, his wife is eligible; but an imperial veteran may have been in this country for nineteen years and six months and then passed on. His widow is not entitled to this award, although she may have been here all her life. I would like to know how many are affected. I myself think that it is a pretty rank piece of discrimination. I wonder whether the minister has any figures on the number that would be affected. I imagine there are few. I believe the amendments are all right as they are, but there is that one point that sticks out, and there is a lot of resentment over it. Can the minister tell us how many are being dealt out under this regulation?

Mr. Gregg: I have no figures for the simple reason that the two national organizations that made the survey of this question did not expect those particular widows would be eligible; consequently they did not take them into consideration in making their survey. They made the survey of those veterans who had, it was estimated, the twenty years' residence in Canada, and based their recommendations and their estimates on that.

Mr. Cruickshank: I should like to ask a further question through you, Mr. Chairman. I think the Speaker allowed a lot of leeway in some of the legal discussion tonight.

(*Inaudible interruption.*)

They may not be interested in veterans over here, but I am. Discussion was allowed tonight which might not have been particularly relevant. However, I should like to be permitted on this section to refer to allowances to war veterans. Permission was

allowed the leader of the opposition, and the leader of one of the other so-called parties on another matter.

I should like to know if I am allowed to discuss what I consider would be proper allowances under the War Veterans Allowance Act to either Canadian veterans or imperial veterans, under the new amendment. May I discuss that on this section?

The Chairman: It is not in order on this section.

Mr. Cruickshank: It was in order for those people over there tonight, on legal matters.

Section agreed to.

On section 2—*"Veteran" defined.*

Mr. Green: Under this section is it clear that this covers veterans who served in the South African war?

Mr. Gregg: Yes.

Mr. Green: Would the veterans of any other wars be covered?

Mr. Gregg: I do not think there are any other wars that would be applicable in this case. Anyway, that is why it was made to apply prior to the official date of the end of the second great war, so that it will take in the few remaining South African veterans.

Mr. Cruickshank: And the veterans of the Riel rebellion; there are a few left. Does it cover them?

Mr. Gregg: Yes, if eligible.

Section agreed to.

Sections 3 and 4 agreed to.

On section 5—*Certain deductions not to be made.*

Mr. Green: This is the section which provides that moneys received under a pension shall not be considered in arriving at a figure for war veterans allowance. Can the minister say what provisions are made in his department for cross-checking between the pensions branch and the veterans allowance branch? On one or two occasions difficulties have arisen in that pension has been increased because the disability of a veteran has become greater; he has received additional money as a result of that increase; at the same time he has been drawing war veterans allowance, but no prompt notification has been sent from the pensions branch to the war veterans allowance board.

The result has been that perhaps a year or eighteen months later the veteran has suddenly been faced with a notification that he has been overpaid. Then of course deductions have been made from his allowance, and a great deal of suffering has been caused which could have been avoided if there had been some system in the department whereby, the minute a pension was increased, notification had gone to the war veterans allowance board so that the allowance could be adjusted accordingly.

In some cases which have come to my attention veterans have received this increase, have thought they were entitled to it, and did not realize that it was going to affect the war veterans allowance. Then they were faced with a demand for several hundred dollars, perhaps a year or two later.

The income of such a veteran is limited; he can receive only a certain maximum; if he gets part of it in pension, then he gets that much less in war veterans allowance. So when this notification comes he is on a fixed income, and faced with repayment of several hundred dollars. I believe a difficulty of that kind could be avoided by a more efficient exchange of information between these two branches of the minister's department. Have any steps been taken to bring about such an exchange?

Mr. Gregg: In the planning that is taking place now active steps are under way to obviate the difficulty pointed out.

Mr. Cruickshank: I have had cases of my own that I have had to look after, affected in much the same way. For instance, a veteran's wife has been faced with sudden and serious illness, and the veteran has been called upon to make payment back, as the hon. member for Vancouver-Quadra has said. These sums have been deducted all at once. Still he has to pay doctor and hospital bills.

It is not reasonable that they should be called upon to make these refunds. If a man is entitled to war veterans allowance, it is because he needs it and because he is incapable of earning a full livelihood for his family. He is receiving it owing to the shortening of his life and earning ability through war service. It is most unreasonable to deduct from that man, as has been done in the cases I have had brought to my attention. His wife might require the expenditure of large sums of money each month for medicinal purposes; yet the veteran all at once has these sums deducted. Further consideration should be given to this.

Mr. Green: One further question. Has there been any change in the treatment regulations in so far as war veterans allowance recipients are concerned? My understanding is that until a year or so ago they were allowed into hospital in most cases under class 1-A. Now they are allowed in under class 5-B, which means a great deal of difference in the

amount of allowance that goes with the treatment. Formerly, apparently, there was what was known as an adjunct treatment ruling. It was not set out in the regulations, but merely in the instructions. Within the last few months a change had been made so that they do not get this class 1-A treatment in as many cases as they did formerly. Why was that change made?

Mr. Gregg: I shall be glad to discuss that more fully when my estimates are being discussed. But if a veteran is entitled to class 1-A treatment he gets it. Otherwise, if he comes in under war veterans allowance, he comes under the appropriate class.

Mr. Green: Would the minister check that?

Mr. Gregg: Yes.

Mr. Cruickshank: I want to ask a further question.

The Chairman: It is eleven o'clock; shall I report progress?

Mr. Fournier (Hull): We have given quite a lot of time to this, and I think we could finish it in a few minutes—unless there is going to be a long discussion on it. I am asking that the house give its consent to continue. There are only three more sections, and I do not think they are contentious.

The Chairman: Does the committee give consent?

Some hon. Members: Agreed.

Mr. Cruickshank: I will try to be brief, but I entirely disagree with the leader of the house when he says that a lot of time has been taken on this. I heard a lot of time wasted tonight—

Mr. Fournier (Hull): You may call it eleven o'clock, please.

Section stands.

Progress reported.

Business of the House

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Mr. Speaker, I understand the Minister of Finance (Mr. Abbott) has consulted the leaders of the different parties concerning interim supply. Tomorrow he will move to go into supply and ways and means with the object of having interim supply granted by the house. We will not, after we go into supply, call any new department. If later in the day we wish to go into supply we will move the formal motion on which there may be a debate, amendment, or any other procedure. After interim supply has been voted we will take Bill No. 222, an act to amend the Cold Storage Act; Bill 82, an act to amend the Criminal Code; then resolution No. 8 on today's order paper in the name of the Minister of Trade and Commerce. If time is left we will take up Bills 249 and 89.

Mr. Drew: I thought that it was the intention to deal with the motion to go into ways and means now standing on the order paper.

Mr. Fournier (Hull): Yes, but I have been told by the Minister of Finance that the motion to go into supply will have to precede the other motion because if we got into ways and means we would not have anything before that committee.

Mr. Drew: Is it the intention to call ways and means after dealing with interim supply?

Mr. Fournier (Hull): Immediately after going into supply and having the two resolutions concurred in, we will go into ways and means.

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

HOUSE OF COMMONS

Tuesday, May 30, 1950

The house met at three o'clock.

AGRICULTURE AND COLONIZATION

CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. A. J. Bater (The Battlefords) presented the first report of the standing committee on agriculture and colonization, and moved that the report be concurred in.

Motion agreed to.

HON. LIAQUAT ALI KHAN

ARRANGEMENTS FOR ADDRESS TO MEMBERS OF BOTH HOUSES OF PARLIAMENT BY PRIME MINISTER OF PAKISTAN

Right Hon. L. S. St. Laurent (Prime Minister): I am sure hon. members will be glad to learn that arrangements have been made, subject to confirmation by the house, to have the Prime Minister of Pakistan address members of both houses of parliament at three o'clock tomorrow afternoon.

The tentative arrangements are similar to those which were made when we had the honour of a visit by the Prime Minister of India; and as seats will be placed on the floor of the house for the members of the Senate it would be appreciated if hon. members of this house could be in their seats just a minute or two before three o'clock, when the Prime Minister of Pakistan will make his appearance here.

I understand that the ordinary tickets for the galleries have been cancelled, and that special tickets have been distributed to the whips, to be made available to those hon. members of this house who may wish to have guests attend the ceremony.

If this is agreeable to hon. members I should like to move, with unanimous consent:

That when this house adjourns today it stand adjourned until tomorrow at 4.30 o'clock in the afternoon.

Motion agreed to.

WHEAT

STATEMENTS AS TO PURCHASES BY UNITED KINGDOM IN CANADA IN 1950-51

Right Hon. C. D. Howe (Minister of Trade and Commerce): In connection with my recent trip to the United Kingdom, I should like to read into the record an agreed statement by the United Kingdom and Canadian governments recording the result of our wheat discussions.

"The Canadian Minister of Trade and Commerce held discussions in London with United Kingdom ministers on the subject of the United Kingdom's wheat requirements in the crop year 1950-51 within the framework of the international wheat agreement.

Both governments have now reviewed the results of those talks. They are agreed that the international wheat agreement removes the need for a contract to replace the existing Anglo-Canadian wheat agreement which expires at the end of July.

The United Kingdom government has made it clear that out of its total wheat import requirements in 1950-51, it expects to buy a large proportion in Canada which, quite apart from the special contractual arrangements for the past four years, is, and it is hoped will remain, the traditional source of supply for the United Kingdom. The Canadian government, for its part, is satisfied that Canadian wheat growers will continue to find in the United Kingdom a market for a very substantial part of their exportable wheat."

I should also mention that the United Kingdom has agreed to take 300,000 tons of Canadian flour at competitive North American prices as part of its purchases of Canadian wheat in the crop year 1950-51.

In the light of all our discussions, I think it reasonable to assume that in 1950-51 the United Kingdom will purchase from Canada between 100 and 120 million bushels of wheat. It is understood that such wheat will be offered upon international wheat agreement terms as to price, quality and position not less favourable than those obtained by any other buyer in the dollar market, whether in the United States or in Canada.

Mr. Ross (Souris): Mr. Speaker, may I ask the minister if at this conference a basis of settlement under the "have regard to" clause was discussed for the great loss suffered by Canadian wheat producers as a result of these United Kingdom-Canada wheat contracts?

Mr. Howe: I understand the wheat board act will be discussed later in the session, and I do not care to amplify this statement at the moment.

Mr. Cruickshank: I should like to ask the minister whether anything at all was done in connection with small fruits.

Mr. Howe: They were not included in the wheat discussions.

Mr. Cruickshank: No, Mr. Speaker, but there is more in agriculture than wheat.

Mr. Diefenbaker: Is the Minister of Trade and Commerce in a position to advise the house what the price spread will be during the season 1950-51 on the wheat agreement or wheat arrangements that have been entered into?

Mr. Howe: The prices under the international wheat agreement will be in the range from $1.98 to $1.54.

TRANS-CANADA HIGHWAY

ANNOUNCEMENT OF AGREEMENT WITH NEW BRUNSWICK—ROUTE THROUGH NEW BRUNSWICK

Hon. Robert H. Winters (Minister of Resources and Development): Hon. members may be interested in knowing that the federal government has entered into an agreement with the government of the province of New Brunswick for the construction, under the terms of the Trans-Canada Highway Act, passed by parliament at the last session, of the links of the trans-Canada highway through New Brunswick. The agreement was signed on behalf of the province of New Brunswick by the Hon. W. S. Anderson, minister of public works.

Mr. Brooks: Will the minister disclose the route of the trans-Canada highway through New Brunswick?

Mr. Winters: In all cases so far the route has been announced by the provinces, but I understand that by this time the province will have made an announcement, so I think I can disclose that the general route will be one that enters the Quebec-New Brunswick border near Edmundston and proceeds along the Saint John river to Fredericton, thence southeast to Sussex, thence to Moncton, and thence to Aulac. There will be a spur from Aulac to Cape Tormentine.

FLOOD CONDITIONS

RED RIVER, MAN.—PERMANENT WORKS AND DIKES—TABLING OF CORRESPONDENCE

Right Hon. L. S. St. Laurent (Prime Minister): I should like to table at once the correspondence called for by the address adopted yesterday on the motion of the hon. member for Lake Centre (Mr. Diefenbaker), asking for the correspondence, direct or indirect, with the government of Manitoba since May 1, 1950. I will lay on the table all that has been received or forwarded in the form of letters or telegrams, with the exception of those that have already been read into the record of the house.

[Mr. Howe.]

SOUTHERN MANITOBA—TAX EXEMPTIONS ON RELIEF FUND CONTRIBUTIONS

Hon. Douglas Abbott (Minister of Finance): Perhaps I may answer a question which was asked by the hon. member for Souris on May 24 when I was absent from the house and was brought to my attention yesterday. It reads as follows:

> Will consideration be given to the request of the Canadian chamber of commerce that contributions to the Manitoba flood relief fund be exempted from taxation over and above the five per cent now allowed corporations and the ten per cent allowed individuals?

This question has come up before, more particularly with regard to the Fraser valley flood relief fund. As the hon. member is aware, these limitations of five per cent and ten per cent are fixed by the Income Tax Act. Any variation would require an amendment to the statute. On the previous occasion to which I have referred, it seemed that the only way in which an amendment could be effected would be to give the Minister of National Revenue discretion to exempt certain cases from those provisions. Aside from other considerations, it was felt that was placing an onerous responsibility on the Minister of National Revenue to differentiate between most desirable relief funds of this kind, and after careful consideration it was decided that it was neither desirable nor practicable to amend the Income Tax Act. The same considerations, of course, apply in this case.

CRIMINAL CODE AND CANADA EVIDENCE ACT

BRINGING INTO FORCE IN NEWFOUNDLAND—CERTAIN NEWFOUNDLAND LAWS REPEALED

Hon. Stuart S. Garson (Minister of Justice) moved the first reading of Bill No. 250 (from the Senate) to bring the Criminal Code and the Canada Evidence Act into force in Newfoundland.

Motion agreed to and bill read the first time.

NEW MEMBERS INTRODUCED

Mrs. Ellen L. Fairclough, member for the electoral district of Hamilton West, introduced by Mr. George A. Drew and Mr. F. E. Lennard.

George H. Hees, Esquire, member for the electoral district of Broadview, introduced by Mr. George A. Drew and Mr. J. H. Harris.

COMMONWEALTH CONFERENCE

SYDNEY, AUSTRALIA—COMMUNISM IN SOUTHEAST ASIA

On the orders of the day:

Mr. Howard C. Green (Vancouver-Quadra): I wish to direct a question to the Acting

Secretary of State for External Affairs. A week ago today I asked him whether we could have a report on the commonwealth conference which took place in Sydney. He said he would let us have it within two or three days. Can he let us know when it will be available?

Hon. Brooke Claxton (Acting Secretary of State for External Affairs): I was hoping to be able to let the hon. gentleman and the house have that report before this, but I felt that it would be more desirable that it be presented by the Secretary of State for External Affairs (Mr. Pearson), who was expected back yesterday. It is now expected that he will be here tomorrow, and I am sure that he will present the report as soon as he can.

TRADE WITH BRITAIN

INQUIRY AS TO MARKETS FOR CERTAIN CANADIAN PRODUCTS

On the orders of the day:

Mr. G. A. Cruickshank (Fraser Valley): I should like to direct a question to the Minister of Trade and Commerce. Did he have any success in selling British Columbia salmon or British Columbia fruit in the old country?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Many trade matters were discussed in the United Kingdom. Few of them were brought to a conclusion, other than the wheat transaction, which was the particular topic of discussion. The United Kingdom already has made a substantial purchase of British Columbia salmon for delivery during the current year, and it is hoped that other food purchases will be made as the season progresses.

Mr. Pearkes: What about lumber?

Mr. Howe: Try to buy some lumber.

Mr. Higgins: I should also like to direct a question to the Minister of Trade and Commerce, although I have not given notice of it. Did he discuss the sale of iron ore?

Mr. Howe: Yes.

Mr. Higgins: Was there any result?

Mr. Howe: We hope that the results will appear shortly.

SUPPLY

Hon. Douglas Abbott (Minister of Finance) moved that the house go into committee of supply.

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

Interim Supply

INTERIM SUPPLY

Mr. Abbott moved:

Resolved, that a sum not exceeding $116,793,505.67, being one-twelfth of the amount of each of the several items (with the exception of item 170) to be voted, as set forth in the main estimates for the fiscal year ending March 31, 1951, laid before the House of Commons at the present session of parliament; and in addition thereto, a sum not exceeding $254,000, being one-third of the amount of items 364, 430, 497; a sum not exceeding $1,441,677, being one-twelfth of the amount of items 18, 30, 94, 189, 191, 192, 193, 194, 195, 198, 199, 360, 361, 370, 384, 385, 386, 554, of the said estimates, and a sum not exceeding $833,333.33, being one-third of the amount of item 635, of the supplementary estimates for the fiscal year ending March 31, 1951, be granted to His Majesty on account of the fiscal year ending March 31, 1951.

He said: Mr. Chairman, in this resolution I am asking for the usual additional one-twelfth of all the items in the main estimates for the fiscal year 1950-51, with the exception of item 170, on which one-twelfth has already been granted. Then there is an additional one-third of certain special items which are set out in the schedule to the bill, and which cover services coming for payment within the first few months of the year. Illustrations of that are the expenses of the international trade fair, which is now in progress in Toronto; the expenses of the royal commission on transportation, and an item of resources and development which provides for the excavation of a flood channel at Dalles rapids, where the work has been virtually completed. Then there is an additional one-twelfth of certain items of a seasonal nature, similar to one for which I asked for an additional amount on the first interim supply. These cover such matters as health of animals; compensation for animals slaughtered; freight assistance on western feed grains, which commence in the early part of the year; expenditures for mines and technical surveys, covering survey parties which are sent out at this time of the year. Finally there is an additional one-third of the special item in the supplementary estimates which I tabled the other day, covering unemployment relief in Newfoundland.

The form of the bill of course is exactly the same as the bill passed at this time last year. In asking for this interim supply I do so with the usual undertaking that it will not prejudice the rights and privileges of members to criticize and discuss any items in the estimates which will come up for consideration during the remainder of the session.

I understand that following the passing of the resolution in committee of supply we have to pass, of course, the corresponding resolution in committee of ways and means, in connection with which it will be necessary to

dispose of the amendment moved some time ago by the leader of the opposition (Mr. Drew).

Resolution reported, read the second time and concurred in.

WAYS AND MEANS

The house resumed, from Friday, April 28, consideration of the motion of Mr. Abbott for committee of ways and means, and the amendment thereto of Mr. Drew.

PROPOSED INQUIRY INTO ORGANIZATION OF DEPARTMENTS AND OTHER GOVERNMENT AGENCIES

Mr. Victor Quelch (Acadia): Mr. Speaker, I am merely speaking to clarify our stand on this resolution. When the leader of this group spoke on April 28 he stated that we were in general support of the amendment, the purpose of which was expressed by the leader of the opposition (Mr. Drew) on April 28, as recorded at page 1989 of *Hansard*, as follows:

> What I have suggested would be the surest way of giving convincing evidence to the people of Canada that we have done all within our power to make democratic government in this country as efficient and as economical as is humanly possible.

In view of the fact that it is a month now since this resolution was moved, I will quote the amendment moved by the leader of the opposition, which is as follows:

> "Consideration should be given to the matter of appointing a royal commission for the purpose of examining and making recommendations for:
>
> 1. Reducing public expenditure to the lowest point consistent with efficiency.
> 2. Eliminating duplication of overlapping services.
> 3. Consolidating all public services and departmental activities of a similar nature.
> 4. Improving the general efficiency of government and assuring to all members of the civil service full recognition of their responsibilities.
>
> And without limiting the generality of the foregoing to make such further recommendations as may contribute to the general efficiency of the organization of government."

The leader of this group made it quite clear that we would not support any program of cheese-paring or curtailing of essential services. But on the other hand we do believe that economies can be effected in the cost of administration.

However, section 1 of this resolution is open to many interpretations, and may mean far more than the establishment of economical administration. It may very well mean a general curtailment of public expenditures. For instance, section 1 places the main emphasis on the reduction of public expenditures; but if public expenditures are to be at a level consistent with efficiency, it may well mean that they will have to be increased rather than reduced. We feel that the amendment should have read, "to control public expenditures at a level that will be consistent with efficiency."

[Mr. Abbott.]

The hon. member for Greenwood (Mr. Macdonnell) took issue with the Minister of Finance (Mr. Abbott) for saying that expenditures could not be reduced below the level of $2,400 million. Evidently the hon. member for Greenwood felt that expenditures could be reduced below that level by establishing economies and also by eliminating wasteful expenditures. On the other hand there is need to expand expenditures of some of the departments of government. Therefore in the over-all picture you might very well have an expansion of government expenditures rather than a reduction through the reducing of administration costs.

It seems to us that the main point is to control public expenditures at a level that will provide for most efficient operation and servicing of the Canadian economy. Toward that end members of all parties in this house have from time to time urged an increase in certain government expenditures. For instance, recently we had a debate on the question of government grants to the provinces for educati n. Members from all parties urged an increase in expenditures for that purpose. We have also had debates on irrigation. Members of all parties have urged the federal government to increase their expenditures on irrigation. There has also been a great deal of discussion in the house about water conservation, flood control and reforestation. At the present time we have before us the picture of Winnipeg. We realize how necessary it is to establish flood control measures. There is an old Chinese saying to the effect that to control the rivers you must also control the hills. Of course in controlling the hills you will require to adopt a program of reforestation and building of reservoirs. As I say, members on both sides of the house have repeatedly urged an increase in expenditures for that purpose.

Last session we had a discussion about the federal share of financing the trans-Canada highway. Members on all sides emphasized the fact that the federal government should take the larger share in that financial responsibility. All these expenditures may be considered to be self-liquidating, but they would mean a substantial increase in government expenditures at this time.

All parties in the house have urged an increase in government expenditures for social services, especially for old age pensions. All parties have urged an increase in the amount of war veterans allowance from $40 to $50 a month. Members of various parties have urged the necessity of maintaining a substantial floor under agricultural prices and for the purpose of mking a substantial payment on the five year wheat pool. These payments would no doubt be greater than the

reductions by the elimination of waste or by making cuts in the cost of administration. Therefore, for that reason, I am not prepared to support the motion to reduce public expenditures when it may very well be in the interests of Canada to increase public expenditures in the future.

The Conservative party emphasizes the need to expand production in order to ease the burden of debt and taxation, and I would agree with that wholeheartedly. I think members on both sides of the house would agree with the necessity of doing that very thing; but let us not forget for one minute that a prerequisite of increased production is an effective demand against that production, which means increased spending by the people of Canada. Some hon. members may say, not necessarily an increase in spending by the people of Canada; it may mean an increase in exports. But an increase in exports must mean also an increase in imports, and an increase in imports means an increase in sales internally. That means an increase in spending by the Canadian people. Therefore before you can hope to get industries to expand greatly their production, you must be in a position to assure them that when they expand that production they will be able to sell it.

I found it most refreshing to read a copy of a speech made by the Minister of Resources and Development (Mr. Winters) before the advertising and sales club at Toronto on April 14, 1950. Since this is a new type of speech to come from a member of this government, I am going to quote a number of passages from it. I will say in advance that I concur in everything that he said in that speech. He was referring to the problems of the fifties, and he said:

> Most of our factories are in tip-top shape. Our workers are experienced and skilled. Our farms are well mechanized. Thanks to hard work and widespread ability the supply problems of the forties have been well-nigh licked.
>
> Looking to the fifties, the problem is: will there be sufficient demand both at home and abroad for the things our heavily industrialized economy can produce? One way of finding out how big the demand really is, is to sell, sell, and sell again. For remember the economic repercussions of what might happen if you sell less than you used to.

Then he went on:

> Canada's prosperity in the fifties will depend not only on your ability to sell. It will also depend, among other things, on the willingness of Canadian consumers to buy. And here a major responsibility rests on the shoulders of Canadian women.

Under the heading: "Canadian Women—A major factor in maintaining sales", he had this to say:

> Now what I have to say may appeal to the ladies, though I am not so sure about the reaction of some of the husbands. If Canadian consumers—and that includes the ladies here and their sisters in every part of our country—don't keep on buying, sales people will sell less, producers will produce less, and there will be less employment and less income. In the end there will be less of everything.

Referring to the high level of consumption essential to prosperity, he said this:

> In putting great emphasis on the point that consumers should spend, salesmen should sell and producers should produce, I am not unmindful of the fact that Canadians also want to put something away for a rainy day. I agree that this is important. But for the nation as a whole a situation may arise where there is too much of a good thing. If all Canadians were to try to save too much, less would be spent on consumer goods and services. And if less money is spent on consumer goods, businessmen will have little incentive to expand capital facilities. And if there is a decline in private investment, not only will many private savings remain unused—in the absence of the government's taking a hand in the matter—but men will be laid off work in capital goods industries. And off we will be on the road toward a depression.
>
> The major domestic challenge of the fifties, then, will be whether consumers can be persuaded to keep on buying, and how effective sales and advertising efforts based on increasingly efficient production will be in keeping up sales.

He concluded with these words:

> To put it into nine simple words: buy more, enjoy more, and Canada will remain prosperous.

That is a happy slogan. I would remind the house that it is the type of speech that we in this group were making in the thirties, every time we stressed the fact that increased saving on the part of the people, while highly desirable from the point of view of the individual, might have a detrimental effect on the economy of the country by bringing about a reduction in spending, unsold goods, and an increase in unemployment. I am sorry the Minister of Resources and Development did not go one step further. He told the people what would happen if they continued to save at their present rate, and if sales declined. He did not say, however, what the government was prepared to do.

In other words, if the people of Canada do not take his advice and do not step up their spending, is the federal government going to sit idly by and see a depression develop, as he forecast in his speech would be the case unless the people increased their spending? If unemployment becomes a problem, and if private spending fails to create effective demand, which would cause surpluses of goods, curtailed production and expanding unemployment, then we say the government would be justified in expanding expenditures without meeting the full cost by taxation or by borrowing the savings of the people.

It is very interesting to note that the governor of the Bank of Canada, speaking on that very point back in 1943, agreed that if such a situation developed as was envisaged

by the Minister of Resources and Development, the government would be justified in expanding its expenditures without meeting the full cost from taxation or borrowing from the savings of the people.

In this connection I quote from a broadcast entitled "The Shape of Things To Come," which went out on April 4, 1943, and in which Mr. Graham Towers and I participated. At that time we discussed the subject of post-war financing, and the discussion ensued in this way:

Mr. Quelch: After the war the need will be to encourage private spending. Heavy taxes and public borrowing will be contrary to the public welfare. Will the government finance all desirable public projects by credit expansion when necessary?

Mr. Towers: In circumstances such as Mr. Quelch describes, I would say that there would be grounds for government not meeting the entire cost of its programs by taxing and drawing on public savings. The desire would be to encourage private spending and make government investment more of a residual item. If part of the necessary money had to come from credit expansion—and the projects were sound and in the public interest—then I should say, go ahead.

So when the Minister of Resources and Development warns the Canadian people that unless they increase their spending we will have a depression, I should like him also to say that if the people do not take that advice and if a depression does develop, the federal government will be prepared to step in and take up the slack as recommended by Mr. Graham Towers in the broadcast to which I have referred.

We believe that the royal commission which is urged by the amendment might well recommend setting up a commission similar to that set up in the United States back in 1934, to make a survey of the potential productive capacity of the country, with special reference to the relationship between national production and national income, so as to find out to what extent demand lags behind supply. It could then make a recommendation to the government as to steps which might be taken to ensure that there would be effective demand for the production of the country.

If the government can give business in Canada the assurance that demand will be maintained at all times, I am satisfied that industry in this country will at all times have sufficient confidence to go ahead and expand production. Therefore, as public expenditures should be controlled in this country at a level required to help provide a balanced economy—and by that I mean a condition under which production is maintained at the optimum level and at the same time effective demand maintained against that—I move, seconded by the hon. member for Medicine Hat (Mr. Wylie):

That the amendment be amended by striking out clause 1 and substituting therefor the following:

1. Controlling public expenditure at a level consistent with efficiency.

Mr. J. A. Ross (Souris): Mr. Speaker, I had not originally planned to speak in this debate, until I heard the Minister of Finance (Mr. Abbott) say how very easy it was for members of the opposition to obtain information in answer to questions. He began to enumerate members of the opposition, and pointed out that there was one in particular, the hon. member for Lake Centre (Mr. Diefenbaker), who did know how to ask questions and how to obtain information.

During the last few days when the orders of the day have been called I have heard the hon. member for Lake Centre complain about the kind of answers he has been receiving and ask why he has not been obtaining the information he sought. A check through *Hansard* will show many occasions on which similar objection has been raised, and I have in mind one in particular which prompts me to speak in this debate.

First of all, I do not know why a question of mine about freight assistance on western feed grains should have been passed as an order for return, because it affected only one department of government. However, a return was brought down on May 16. The questions were as follows:

1. Is freight assistance on western feed grains granted in Canada beyond Fort William, Ontario, or Vancouver, British Columbia?

2. If so, where to?

3. Are milling companies or feed companies permitted freight assistance or drawback on freight on oats or coarse grains purchased or handled by them?

4. If so, what companies during 1948 and 1949 obtained freight assistance or drawback on coarse grains and what amounts?

I would ask the Minister of Finance if there is anything wrong with that fourth question. The return gave the following reply:

The attached information has been received by the Secretary of State of Canada from the Department of Agriculture.

1. Freight assistance is paid on feed grain shipped from Fort William to all eastern provinces, and from Edmonton and Calgary to points in British Columbia.

2. Answered by No. 1.

3. Freight assistance is paid to wholesale handlers of feeds and feed grain on submission of proof that—

(1) The grain has been shipped and the freight paid.

(2) That the grain has been sold to a consumer, retail dealer or co-operative and

(3) That the consumer or retail buyer has been allowed the freight assistance claimed by the wholesaler.

4. Answered by No. 3.

I will ask the Minister of Finance if he does not agree that in that answer I have been given the run-around. It speaks for itself. I certainly did not receive information that I asked for very pointedly. But I tell you that in my humble way I have been able to obtain some information myself. There was no reason why that question should not have had a proper answer. These things should be followed up and more information should be given. As we all know, hon. members have been trying to get information on the expenditure of the taxpayer's money.

Just the other day the hon. member whom the Minister of Finance said was an expert on getting information asked some questions in connection with coarse grains. Here are the questions, and the answers given by the parliamentary assistant to the Minister of Trade and Commerce (Mr. McIlraith); I quote from page 2695 of *Hansard* of May 22, 1950:

Mr. Diefenbaker:

1. How many bushels of (a) feed oats; (b) feed barley, were sold by the wheat board to feed merchants, dealers or brokerage houses in each of the months beginning in December, 1949, and to date?

2. What was the average price received for each of said grains in each of said months?

Mr. McIlraith:

1. It is not the policy of the Canadian wheat board to divulge its sales position within the crop year in which it is operating.

2. See answer to No. 1.

Is there anything wrong with those questions?

Mr. Diefenbaker: Just hiding.

Mr. Ross (Souris): I say there is a lot wrong with the answers. I do not intend at this time to refer to several newspaper articles that have been written about how we have been trying to get information. I can tell you that I have dug up a lot of information which is rather startling. In connection with both these questions the government has been hiding the answers.

Mr. Abbott: The government has not been hiding any answers. I am not responsible for answering for the wheat board, but I understand that it has always been understood that the board would not disclose sales figures for the current crop year. There is nothing new about that.

Mr. Ross (Souris): What about the position of the Minister of Agriculture (Mr. Gardiner) and the parliamentary assistant? Does the same thing apply there?

Mr. Abbott: I am answering for my own department; I do not include all the rest of the government.

Mr. Ross (Souris): That is the point.

Mr. Abbott: I will couple my hon. friend with the hon. member for Lake Centre (Mr. Diefenbaker) as being one who is able to get the information he wants.

Mr. Ross (Souris): I do not profess to be very able at all, but when the Minister of Finance spoke against this amendment he was speaking for all the government. He covered quite a large field. He pointed out how easy it was to obtain this information from any department of the government. That is all I am finding fault with at this particular time. He pointed out that historically and primarily it was the function of the government, and especially of the opposition, to perform this duty. Anyone who has been following the proceedings of the public accounts committee knows how easy it is to obtain information, and it should be easy to get an answer in that committee.

An hon. Member: Very easy.

Mr. Ross (Souris): Very easy, I suppose. There are many such examples that I could give besides the two I have mentioned. I am bound to refer to an article that appeared in *Maclean's* magazine of March 1, 1943, written by the Minister of National Defence (Mr. Claxton) when he was parliamentary assistant to the Prime Minister. As the Minister of Justice (Mr. Garson) pointed out the other day, it makes quite a difference where you happen to find yourself.

Mr. Abbott: Is this the first time that article has been brought up?

Mr. Ross (Souris): No, it is not the first time, and I intend to repeat it. As the Minister of Justice said the other day, you have a different viewpoint when you are premier of a province from that which you have when you are a member of the government in Ottawa; you see things in a different light. I presume the same remark would apply to the present Minister of National Defence, because at that time he was pointing out the great difficulty that the then 245 members found in obtaining this information, and that a committee should be set up to be furnished with a research staff and all that sort of thing; but how different it is today when he is a member of the government and is called upon to give these answers! He stands up repeatedly and votes against the very procedure that he so well defended in 1943 as a parliamentary assistant. This is not the first time this has been brought up;

it has been repeated several times and may be repeated several times if we have this same difficulty in obtaining information which we should rightly be given on behalf of the taxpayers of this country.

As I have pointed out in other debates, I think a more satisfactory system could be evolved in this House of Commons for the scrutinizing and following through of public expenditures. I have pointed out that there are fifty members of the public accounts committee, approximately fifteen of whom are members of the opposition groups. You can see what happens there when they do not want to give information. The chairman is always a supporter of the government. Contrast this with what happens in Great Britain, where the house membership is much larger, and yet they have a small committee of about fifteen members. Usually the majority are members of the opposition, and frequently the chairman is an opposition member. It is granted that that should be so, that there should be that advantage in scrutinizing public expenditures and following through on behalf of the taxpayer.

This is a very unhealthy state of affairs that we have here. I repeat that extravagance is being practised by the present government. Even the Minister of Finance agreed with the hon. member for Kamloops (Mr. Fulton) when he said that the hon. member had ably pointed out and placed on *Hansard* several expenditures that could be eliminated without interfering in any way with the efficiency of government.

Mr. Abbott: I did not say that. I believe my hon. friend would wish to be correct. I congratulated the hon. member for Kamloops upon really getting down to this question of expenditures and bringing up specific cases which in his judgment could be eliminated without affecting efficiency. But I expressed no opinion on the merits of the suggestions.

Mr. Ross (Souris): I may have been going a little far and drawing on my imagination, but that is what I would expect the Minister of Finance to say could be done.

Mr. Abbott: I made no such suggestion.

Mr. Ross (Souris): Nevertheless the hon. member for Kamloops went that far; and more than that, he moved to eliminate certain public expenditures, but every supporter of the government voted against it. We have indicated how public expenditures could be eliminated without interfering with the efficiency of the government, and I do not think I can go any further. The original motion moved by my leader was a proper one, and I know it meets with the approval of many organizations and individuals from coast to coast in Canada. I am not unmindful of the fact that occasionally the Prime Minister (Mr. St. Laurent) and other ministers draw to our attention the fact that the government was endorsed a year ago. Probably they did receive a mandate by constituencies; nevertheless the majority of the people who cast their votes on June 27, 1949, voted against this government.

Mr. MacDougall: Oh, oh.

Mr. Ross (Souris): Laugh if you like, but stand up in your seat and dispute that statement if you can.

Mr. MacDougall: I certainly will.

Mr. Ross (Souris): You can do it when you follow me. I can elaborate on that. According to the figures released in early August, 1949, by the chief electoral officer, the majority of the electors of Canada who voted cast their votes against the present government. I defy anyone in the house to stand up and dispute that statement. While the government under the present antiquated electoral system did receive almost seventy-five per cent of the seats in this House of Commons—

Mr. Mitchell: I am here and you are there.

Mr. Ross (Souris): That is very true. I am glad my good friend the Minister of Labour (Mr. Mitchell) is in the house. I admire him.

I do not wish to take up any more time, but I was pointing out briefly that this motion moved by my leader has had the approval of chambers of commerce and other organizations, as well as of many individuals who have studied this matter. A great many people, regardless of how they cast their ballots last June, are becoming alarmed at the extravagant waste of money by this government.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, I want to say just a word on the amendment and the subamendment. When the amendment was moved by the leader of the opposition (Mr. Drew), my colleagues the hon. member for Vancouver East (Mr. MacInnis) and the hon. member for Moose Jaw (Mr. Thatcher) both stated that we would oppose it. We are still of that view, because we believe the suggestion means the abrogation of the responsibilities of this house, and we do not think we should be parties to placing our responsibilities upon a royal commission or any other body. However, that does not mean we do not believe there are certain government expenditures that need more careful review than has been given by this house and its committees.

Indeed I think the activities of our members of the various committees of this house will underline what I have just said. However, we do feel that the subamendment moved this afternoon is worthy of support. Therefore we shall support the subamendment, and if it is defeated we shall have to oppose the amendment that was moved on April 28.

I agree very largely with what was said by the hon. member for Acadia (Mr. Quelch). I would point out, however, that when we speak of issuing credits we must remember that there are times when the issuing of credits may be very beneficial to the economy while at other times, when there are high prices and inflationary conditions, such action may increase the inflation within the country. Consequently I like the words the hon. member used in the beginning of his subamendment, "controlling public expenditures at a level consistent with efficiency." Of course I would go a step further and say that if we are going to control public expenditures we must have some plan under which those expenditures are made. So we warmly advocated a proposal made some years ago and accepted by government supporters, and therefore I suppose in effect by the government itself, for the establishment in Canada of a national investment board. That has not been set up, but I believe such an instrument might have been extremely valuable over the past several years, and perhaps would be even more valuable during the course of the next few years.

That is one way by which we could control public expenditure and investment at a level consistent with efficiency. The hon. member for Acadia mentioned the possibilities of the use of the central bank of Canada, the establishment of which marked a great step forward in controlling both the amount of currency in circulation—to use Mr. King's words, to control it in terms of public need—and also to influence the economy in various directions at times when that influence is particularly desirable.

So, Mr. Speaker, without delaying the house further, I shall conclude what I desire to say on this point. I should have liked to comment briefly on the announcement made by the Minister of Trade and Commerce (Mr. Howe), because some of us regret very much indeed that the British wheat agreement has not been carried forward and our agricultural producers protected in a way perhaps they cannot be protected under the international wheat agreement, but I am going to defer any discussion of that matter until the appropriate time, when wheat and wheat marketing are discussed in this house. All I rose to say was that we shall support the subamendment, and if it is defeated we shall vote against the amendment.

Mr. George A. Drew (Leader of the Opposition): First of all, Mr. Speaker, may I say that the subamendment is entirely acceptable, and I shall support the amendment as so amended. I would remind hon. members that the subamendment in no way affects the main body of the amendment I moved on April 28, and that in my opinion it does not in any way affect the meaning of the paragraph for which it is substituted, beyond the fact that it is apparently intended to avoid any uncertainty with respect to the interpretation which was placed upon the words of the original amendment by some speakers. The first clause of the amendment I moved read "reducing public expenditure to the lowest point consistent with efficiency," and by the subamendment that is to be replaced by the words "controlling public expenditure at a level consistent with efficiency." I am inclined to think the word "controlling" in that case is actually the better word, and for that reason I welcome the subamendment.

Before a vote is taken on the subamendment there are certain facts which I think should be in the minds of hon. members which have arisen since the original amendment was presented. There has been no suggestion at any time of a reduction of essential services. What has been proposed is that the biggest business in Canada, the business of government, follow the course that any ordinary business of any size would follow at this time and bring in outside experts to examine the method of handling the accounts and determine if there are ways in which those accounting methods may be improved and economies made. When it is suggested that it would be wise to have the whole organization of government and the system of handling accounts examined by a group of independent experts we are told there are no indications of any definite economies that can be effected, and that no single item has been mentioned where economy could be practised.

I am very glad that the amendment I moved just over a month ago comes up for discussion today, when there are two new members in the house. One of them is the only lady member and, apart from that special qualification, a public accountant of established reputation. The other hon. member who has come in today is a young and successful businessman with a very keen appreciation of sound business practices and, may I add, sound labour relations within his own organization. I can well imagine the

surprise that both of them will get when they really have the opportunity to go into our accounting methods. There is no business in this country, large or small, that could survive if it adopted the accounting methods we follow here in carrying on the biggest business in Canada. It is so easy for the Minister of Finance to get up, and in his bland, friendly way say, "Give me examples; point to any specific item. I have sat here for a long time and no one points to any definite item." We are aware that there are great public services that must be performed, and that those constitute the bulk of the obligations for which he must tax the people on the scale that they are to be taxed.

I shall point out some items that suggest clearly where substantial savings could be made, but that does not answer the argument that there are great possibilities for reduction in expenditures, without reducing any essential public service. We are told of the large expenditures for old age pensions, family allowances, veterans services, and things of that sort, as well as the service of our large public debt which is in the nature of fixed obligations. We know that they do constitute the bulk of public expenditure. It must be remembered that when we have placed before us these large items for services of this nature, there are included in those services expenditures of an administrative character, and expenditures of another kind as well.

On April 17 of this year we learned that there are 366 publicity and information experts, if that is the correct name, attached to the various departments of government. They are receiving $1,275,508.43, but do not let any member of the house carry away the impression that $1,275,508.43 pays for this publicity. It is only the start. These are the people who turn on the tap and keep the flood flowing. These are the people who write the speeches. We do not know when we are really hearing the thoughts of a minister, and when we are hearing the thoughts of one of these employees. They are all so busy explaining things to the people of Canada to the greatest advantage of the members of the government. There is not anyone here who does not recognize that it is desirable that public business be explained, but that does not need this host of writers; that does not need these people outside of the ordinary activities of the civil service. We do not know how much they cost in paper alone, but the figure would be enormous.

Let me give you an example. I have in my hand a collection of material which was gathered in only eleven days by a member of the press gallery, and which constitutes the output of these publicity men. Every member of the press gallery has had more than the mass of material in my hand handed to him by these publicity experts in the last ten days.

Mr. Fulton: It must be two inches thick.

Mr. Drew: At least two inches thick, and that does not include everything. Every wastepaper basket in that part of the building is filled with it. If one took the time to peruse the material, one would know that is the best place for it. This does cost money, and when you multiply that by the number of days in a year, when you multiply it by the number of times the machines run this off for distribution, and when you realize that there are a great many circulars going out besides these, because I have only included the material that goes to the press gallery, you realize the cost. There are many other channels for this sort of publicity as well.

What is this publicity? In addition to the gaily coloured releases of this kind, and the other coloured releases of this kind, some red, white and blue, —

Mr. McIlraith: Would the leader of the opposition indicate the last publication he described as "of this kind"?

Mr. Drew: Yes, the director of public relations is the one I have in my hand.

Mr. McIlraith: No, the other one from the dominion bureau of statistics.

Mr. Drew: Yes, the dominion bureau of statistics. Then, we have one the hon. member may like, the green one.

Mr. McIlraith: No, just read to hon. members the name of the publication, so that they will know what it is.

Mr. Drew: I am not going to read the titles of all these.

Mr. McIlraith: On a point of order, Mr. Speaker, the leader of the opposition held up a publication and described it as "this publication". He made some remarks about it but he did not tell the members of the house what publication he was describing. I believe it would be fair to the hon. members if he would name it. It is a dominion bureau of statistics publication, and quite easily identified by him.

Mr. Ferguson: This is all trash; why waste time on it?

Mr. Drew: Mr. Speaker, the hon. member knows, as every hon. member knows, that amongst this material there is some good, but the greater part of it is not worth reading.

Mr. McIlraith: Give us the name of it.

Mr. Warren: Tell the house what it is.

Mr. Drew: I hear a small, frail voice calling, but I would remind the hon. member who is interrupting me that he knows perfectly well where this comes from, because it comes into his office as it does into every other member's office.

In connection with these services we have been told, for instance, of the increase in expenditure for publicity and information of different kinds, and I shall give the figures in relation to that. One of the interesting things is the statement that the Department of External Affairs needs more money for its information service. It has 51 publicity men, and issues a large number of circulars. I wish to say most emphatically that I agree with the idea of informing the people of other countries, and the people concerned, about the real activities of the Department of External Affairs. But last week's issue of the Canadian weekly bulletin from the Department of External Affairs did not contain anything that was not covered by the excellent press of this country. There is not a single thing that has not been covered, and it amounts to a repetition of quotations from speeches by various cabinet ministers, along with other statements that have appeared in the press concerning matters of general interest.

Just as an example of the kind of thing that is going out under this heading of publicity from the Department of External Affairs, and just one item, may I give this instance. The Department of External Affairs, under its own heading and through its publicity channels, sent out not long ago a speech by the Secretary of State for External Affairs (Mr. Pearson) delivered to a Liberal club in Montreal. Mr. Speaker, if any of the ministers on the other side of the house think their political speeches should be sent out, they have a perfect right to have that done, but not at the expense of the people of Canada and not in the name of the Department of External Affairs. That is the kind of thing in which there can be real savings. They are some of the things that the Minister of Finance (Mr. Abbott) could well examine but they are the kind of thing that the Minister of Finance might not be able to examine so easily because he knows perfectly well that an independent group examining matters of this kind can do so in a detached and objective manner much better than he can and much better than he has been able to do.

Let us see some of the figures that are not shown in the estimates as separate figures but are brought together to show the way that expenses have increased. The estimates for the last year before the war, 1938-39, amounted to $549,219,048. The estimates now before us total $2,367,480,478. Granted that much of this additional expenditure arises from the war itself and from the additional social services which are supported by all the members of this house, nevertheless there are items here which have no relation to these essential services. As an example, let us take the cost of materials and supplies bought by the government for different departments. In the year before the war the estimates for materials and supplies were $6,586,105. The current estimates call for $76,510,901 for the very same item. Our population is larger and the business of government covers a much greater field, but that fact hardly explains why approximately twelve times as much as in the year before the war should be required for this purpose.

Then let us take the expenditure for printing, stationery and office equipment; and it is in the item of printing that we find these circulars to some extent, though not entirely. There again we have the reason why an independent inquiry of this kind is necessary if we are going to get an objective examination of these facts. The estimates in the year before the war, for printing, stationery and office equipment, amounted to $2,582,901. This year the estimates for these same items amount to $14,725,572.

Next let us examine the total required for buildings, works and structures, and these are the combined totals for various departments. In the year before the war the estimates for this purpose, for the actual purchase and construction, amounted to $35,830,565. This year, under these same items, the estimates call for $168,575,705.

Then let us take maintenance and repairs on the buildings of this kind. In the year before the war, for maintenance and repairs the estimates called for $3,664,294. This year the estimates for this purpose call for $33,551,248. Then here is the kind of item that cannot be put down as one of those services that have been referred to as not being subject to effective reduction. The estimates for freight, express and cartage for all departments in the year before the war amounted to $639,825. Under these same headings the estimates for the present year amount to $6,746,457. As you add these figures up, it is interesting to note the number of occasions on which the estimates now are exactly ten times what they were in the year before the war. Then let us take the expenditures for an item—

Mr. Abbott: National defence, for instance.

Mr. Drew: Oh, national defence is a part of it; that is perfectly true. But it is only a part of it.

Let us take an item like travelling and transportation expenses. In the year before the war the amount of the estimates was $4,742,206; now it is $22,744,354. But, Mr. Speaker, the most striking item of all is that under the heading of telephones, telegrams and postage. It is well to remember that this is not ordinary postage, because ordinary departmental postage is carried free. Therefore these are services of another kind. In the year before the war the estimates for telephones, telegrams and postage amounted to $960,248. The estimates at present before us call for $8,595,943. In view of the fact that the Minister of Finance has so persistently questioned the possibility of savings which could be effected and the practical results of any inquiry of this kind, just let us take his own department with regard to these items. For telephones, telegrams and postage, in the last year before the war the Department of Finance asked for $33,000. This year the estimates now before us call for $1,639,900 for the Department of Finance largely.

Mr. Abbott: That is all the departments in Ottawa, of course; not just the Department of Finance.

Mr. Drew: This is for the Department of Finance, largely.

Mr. Abbott: It is on a different basis than before the war.

Mr. Drew: In other words, the Minister of Finance (Mr. Abbott), with whatever adjustments there are, is now asking for fifty times as much for telephones, telegrams and postage—

Mr. McIlraith: Oh, no.

Mr. Drew: —as was asked for before the war.

Mr. Abbott: That is simply because the telephones of the other departments in Ottawa come under these estimates. We took over telephones from the Department of Public Works.

Mr. Drew: The Minister of Finance does not need to attempt to change the figures that come from his own department.

Mr. Abbott: I do not want to change the figures, but I do not want the leader of the opposition (Mr. Drew) to mislead the house and the public.

Mr. Drew: There is no suggestion of misleading the house.

Mr. McIlraith: That is what it is.

Mr. Drew: The figures I have are provided by one of his own senior officials.

[Mr. Drew.]

Mr. Abbott: They are all before the public accounts committee. I know that my hon. friend wants to be fair. He puts out to the public that the expenditures of the Department of Finance for telephones, telegrams and postage are fifty times what they were before the war. I do not know whether that is true or not; it may be. But so far as the figures are concerned, the expenditures now for the Department of Finance on telephones represent the expenditures of all government departments in Ottawa, because they have been centralized under the direction of the Department of Finance and the expenses are included in the Department of Finance vote. If you are going to compare anything, you should compare like with like. That is my only point.

Mr. Drew: It is an interesting thing. Let us take, for instance, national defence. If all the departments are under the Department of Finance, how is it that we find, under telephones, telegrams and postage, that in the year before the war the Department of National Defence asked for $62,932 and this year is asking for $1,968,000?

Mr. Abbott: The answer to that is because they operate extensively outside of Ottawa.

Mr. Drew: These are departmental expenditures, and Ottawa, no matter how much some members of the government may think so, is not the whole of Canada.

Mr. Abbott: I know my hon. friend does not want to misrepresent intentionally. I was only pointing out the position of the Department of Finance. I am simply saying that to compare the figure before the war with the figure now cannot give you a valid basis of comparison, because the Department of Finance has taken over from the Department of Public Works the telephone service of all departments in the city of Ottawa. That is my only point.

Mr. Drew: That point is perfectly well taken.

Mr. Abbott: That was not the case before.

Mr. Drew: But I come back to what I have already given, namely, the total figure for all departments of government in every part of Canada for telephones, telegrams and postage, which was $960,248 in the year before the war and is now $8,595,943. And the fact is that instead of these figures being increased, in a great many instances they could well be reduced because today we have air carriage of mail, which in ordinary cases is almost as fast as service by telephone or telegram.

One of the things that a competent group of independent experts would examine would

be the extent to which just as effective communication could be carried out by the speedy use of air mail as by the use of telephones and telegrams at the present time; and whether there are more departments in Ottawa brought under the Department of Finance, and other departments outside operating separately, makes no difference. These are the figures given by officials of the Department of Finance itself as to the comparative costs. I am not suggesting for one moment that this is not in every way an accurate representation of the figure. On the contrary, I am satisfied that it is. Whatever the balancing may be between departments, the totals have increased enormously.

In so far as the over-all picture is concerned, the items that I have given are only a few of the combined items that show very great increases under headings that certainly are subject to ordinary business examination. I submit, Mr. Speaker, that in this case there is no abrogation of the responsibility of parliament by the appointment of a royal commission to go into a subject of this kind. In fact, if that argument is sound then there would be no single case where a royal commission could properly be appointed, because whenever a royal commission is appointed it is for the purpose of examining into some public affairs.

One of the statements made by certain speakers on this amendment is that this would be a commission of judges. I simply point out that I have suggested that this commission be set up on a basis similar to the commission which was set up in the United States under the chairmanship of ex-president Hoover. Whether there be a judge or judges is of course entirely a matter of responsibility for the government that would be called upon to make the appointments and to set the terms of the reference. I did make it clear that I believed a royal commission of this kind could best carry out its purpose if it were made up of business experts, and of experts in accounting and others who by their training could effectively deal with matters of this kind.

We of course cannot say that the result would be on the same proportionate basis. But it is interesting to note that the Hoover commission in the United States, inquiring into the same general subject, made recommendations which it is estimated would amount to an annual saving of $5 billion. In this country on a proportionate basis it would amount to a saving in excess of $400 million. I am not saying that such a commission could of necessity make recommendations that would bring about a saving of that kind. What I do say is that only a commission of that kind could determine the extent of the savings that could be made. If the savings are $50 million, $100 million, $150 million or $200 million, they are the kind of savings that we want at this time.

In this country, as in other countries, the war necessarily expanded the business of government. I wish that the government itself would accept these arguments without suggesting that we are necessarily imputing any improper handling of the public business when we say that savings could be made. When Mr. Hoover's commission, a large commission, got to work it set up a number of teams, and those teams examined different subjects. I do not recall any suggestion from either side of congress that there was anything unfair about the claim at that time that savings could be made. In fact Mr. Hoover, the ex-president, representing one party, was appointed by the president who belonged to another party, and that very non-political and impartial approach to this subject has been carried right through. All over the United States today public committees, made up of people of the two major parties in the United States, are organized to carry into effect and to obtain the implementation of the recommendations of the Hoover commission.

I should think that the government itself would welcome the opportunity to gain the assistance that it would receive from the constructive examination of departmental organization and accounting procedure by the most competent people who could be called to this service throughout the whole of Canada.

Although opposition has been expressed to this motion, I still urge the government to reconsider the position and to consider the advantage that there will be to the government, as well as to the people of Canada, if the whole organization of government in relation to its public accounting system, and the whole system of public expenditure, be so examined as to ensure that the taxpayer gets as close as possible to one hundred cents value for every dollar that he has to pay.

Hon. Douglas Abbott (Minister of Finance): Mr. Speaker, I am not going to take time this afternoon to traverse again the ground which I covered on April 28 when this amendment was moved, and in which I answered the arguments for the appointment of such a commission which have been reiterated today by my hon. friend, the leader of the opposition (Mr. Drew). I want to say simply a word about the subamendment moved by the hon. member for Acadia (Mr. Quelch), and to state why I am bound to oppose it. The

subamendment, because of the form in which it is, is of course a want of confidence motion in the government, something which, I appreciate, does not interest members of the opposition parties.

Secondly, in my judgment this subamendment, if adopted, would constitute an abrogation of the constitutional responsibilities of this house.

The amendment, as contained in *Hansard* at page 1989, reads, after the preliminary words, that all the words after "that" be struck out:

> Consideration should be given to the matter of appointing a royal commission for the purpose of examining and making recommendations for:

The amendment as it stands reads:

> Reducing public expenditure to the lowest point consistent with efficiency.

For that is substituted:

> Controlling public expenditure at a level consistent with efficiency.

I am of the opinion that no royal commission can assume the responsibility of determining how public expenditures shall be controlled at a level consistent with efficiency. That, in my opinion, is a matter for decision by the House of Commons and, for the reasons I gave on April 28, the government will oppose both the subamendment and the amendment.

The house divided on the amendment to the amendment (Mr. Quelch) which was negatived on the following division:

YEAS

Messrs:

Adamson	Higgins
Argue	Hodgson
Black (Cumberland)	Homuth
Blackmore	Jones
Blair	Knight
Brooks	Knowles
Browne (St. John's West)	Lennard
Bryce	Low
Casselman	McGregor
Charlton	McLure
Coldwell	Noseworthy
Diefenbaker	Pearkes
Drew	Quelch
Fair	Ross (Souris)
Fairclough, Mrs.	Rowe
Ferguson	Shaw
Fleming	Stanfield
Fraser	Stewart (Winnipeg North)
Fulton	Thomas
Green	Tustin
Hansell	White (Hastings-Peterborough)
Harkness	
Harris (Danforth)	White (Middlesex East)
Hees	Wright
Herridge	Wylie—49.

NAYS

Messrs:

Abbott	Arsenault
Anderson	Ashbourne
Applewhaite	Bater
Beaudoin	Kirk (Digby-Yarmouth)
Bennett	Lafontaine
Blanchette	Laing
Boisvert	Langlois (Gaspe)
Bonnier	Lapointe
Boucher	Larson
Bourget	Leduc
Bradette	Lefrançois
Breithaupt	Leger
Brisson	Lesage
Brown (Essex West)	Little
Bruneau	MacDougall
Byrne	MacKenzie
Campney	MacLean (Cape Breton North and Victoria)
Cannon	
Carroll	MacNaught
Carter	Macnaughton
Cavers	McCubbin
Cleaver	McCulloch
Conacher	McCusker
Corry	McDonald (Parry Sound-Muskoka)
Cournoyer	
Croll	McIlraith
Dechene	McIvor
Decore	McLean (Huron-Perth)
Demers	McWilliam
Dewar	Masse
Dickey	Matthews
Dion	Maybank
Eudes	Mitchell
Eyre	Mott
Ferrie	Mutch
Follwell	Pouliot
Fournier (Hull)	Prudham
Fournier (Maisonneuve-Rosemont)	Ratelle
	Richard (Ottawa East)
Fulford	Riley
Gardiner	Roberge
Garland	Robertson
Garson	Robinson
Gauthier (Sudbury)	Rooney
Gauthier (Portneuf)	St. Laurent
George	Simmons
Gibson	Smith (Queens-Shelburne)
Gingras	
Gingues	Smith (Moose Mountain)
Gosselin	Stewart (Yorkton)
Gregg	Stick
Harris (Grey-Bruce)	Studer
Harrison	Tremblay
Hellyer	Valois
Helme	Viau
Henderson	Warren
Hetland	Weaver
Howe	Weir
Hunter	Welbourn
James	Whitman
Jeffery	Winkler
Jutras	Winters—121.
Kent	

Mr. Smith (Calgary West): I am still paired with the hon. member for Edmonton East (Mr. Macdonald). Had I voted I would have voted for the amendment to the amendment.

Mr. Catherwood: I was paired with the hon. member for Kent (Mr. Huffman). Had I voted I would have voted for the amendment to the amendment.

Mr. Gillis: I was paired with the Minister of National Health and Welfare (Mr. Martin). Had I voted I would have voted for the subamendment.

Mr. Hosking: I was paired with the hon. member for Moose Jaw (Mr. Thatcher). Had

I voted I would have voted against the amendment to the amendment.

The house divided on the amendment (Mr. Drew) which was negatived on the following division:

YEAS

Messrs:

Adamson
Black (Cumberland)
Blair
Brooks
Browne (St. John's West)
Casselman
Charlton
Diefenbaker
Drew
Fairclough, Mrs.
Ferguson
Fleming
Fraser
Fulton
Green
Harkness
Harris (Danforth)
Hees
Higgins
Hodgson
Homuth
Lennard
McGregor
McLure
Pearkes
Ross (Souris)
Rowe
Stanfield
Tustin
White (Hastings-Peterborough)
White (Middlesex East)
—31.

NAYS

Messrs:

Abbott
Anderson
Applewhaite
Argue
Arsenault
Ashbourne
Bater
Beaudoin
Bennett
Blackmore
Blanchette
Boisvert
Bonnier
Boucher
Bourget
Bradette
Breithaupt
Brisson
Brown (Essex West)
Bruneau
Bryce
Byrne
Campney
Cannon
Carroll
Carter
Cavers
Cleaver
Coldwell
Conacher
Corry
Cournoyer
Croll
Dechene
Decore
Demers
Dewar
Dickey
Dion
Eudes
Eyre
Fair
Ferrie
Follwell
Fournier (Hull)
Fournier (Maisonneuve-Rosemont)
Fulford
Gardiner
Garland
Garson
Gauthier (Sudbury)
Gauthier (Portneuf)
George
Gibson
Gillis
Gingras
Gingues
Gosselin
Gregg
Hansell
Harris (Grey-Bruce)
Harrison
Hellyer
Helme
Henderson
Herridge
Hetland
Howe
Hunter
James
Jeffery
Jones
Jutras
Kent
Kirk (Digby-Yarmouth)
Knight
Knowles
Lafontaine
Laing
Langlois (Gaspe)
Lapointe
Larson
Leduc
Lefrançois
Leger
Lesage
Little
Low
MacDougall
MacKenzie
MacLean (Cape Breton North and Victoria)
MacNaught
Macnaughton
McCubbin
McCulloch
McCusker
McDonald (Parry Sound-Muskoka)
McIlraith
McIvor
McLean (Huron-Perth)
McWilliam
Masse
Matthews
Maybank
Mitchell
Mott
Mutch
Noseworthy
Pouliot
Prudham
Quelch
Ratelle
Richard (Ottawa East)
Riley
Roberge
Robertson
Robinson
Rooney
St. Laurent
Shaw
Simmons
Smith (Queens-Shelburne)
Smith (Moose Mountain)
Stewart (Yorkton)
Stewart (Winnipeg North)
Stick
Studer
Thomas
Tremblay
Valois
Viau
Warren
Weaver
Weir
Welbourn
Whitman
Winkler
Winters
Wright
Wylie—140.

Mr. Smith (Calgary West): I was paired with the hon. member for Edmonton East (Mr. Macdonald). Had I voted I would have voted for the amendment.

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

Some hon. Members: On division.

Motion agreed to on division and the house went into committee, Mr. Dion in the chair.

Mr. Abbott moved:

That towards making good the supply granted to His Majesty on account of certain expenses of the public service for the fiscal year ending March 31, 1951, the following sums be granted out of the consolidated revenue fund of Canada, namely—

1. The sum of $116,793,505.67, being one-twelfth of the amount of each of the items (with the exception of item 170) set forth in the main estimates for the fiscal year ending March 31, 1951;

2. The amount of $254,000, being one-third of the amount of items 364, 430, 497 of the said estimates;

3. The amount of $1,441,677, being one-twelfth of the amount of items 18, 30, 94, 189, 191, 192, 193, 194, 195, 198, 199, 360, 361, 370, 384, 385, 386, 554 of the said estimates;

4. The amount of $833,333.33, being one-third of the amount of item 635 set forth in the supplementary estimates for the fiscal year ending March 31, 1951, as set forth in the resolution concurred in this day in committee of supply.

Motion agreed to.

Resolutions reported, read the second time and concurred in.

Mr. Abbott thereupon moved for leave to introduce Bill No. 251, for granting to His Majesty certain sums of money for the public service of the financial year ending March 31, 1951.

Motion agreed to, bill read the first and second times and the house went into committee thereon, Mr. Dion in the chair.

On section 1—*Short title.*

Mr. Knowles: I should like to ask the Minister of Finance a question which might have been asked on the orders of the day, except that I believed it would take too long, and knowing that this opportunity would be forthcoming today I saved it until now. It relates to something which comes within the minister's own department, and my excuse for asking it now is simply that this bill votes money to all departments, including his own. My question is based on an inquiry I received today from a person connected with a very responsible firm in Winnipeg. It relates to the Manitoba flood situation, and in particular to the question of income tax.

Will consideration be given to the case of employers who make special grants to their employees who have suffered heavy losses, those grants being for the purpose of assisting those employees to get on their feet again? The suggestion made was that, as the law now stands, any grant made by an employer for that purpose would not be allowed to the firm for tax purposes. Then again, the employee in receipt of it would have to list it as income and pay tax thereon. I appreciate that the problem is a little different from the sort of request the minister usually receives, but I am sure he will realize that the situation in Winnipeg is a most unusual one and that a request of this kind merits special consideration.

As one who does not often rise to say commendable things about large corporations, I would say that any corporation, large or small, which does something like that would be justified in asking whether that sort of consideration could be given. It may be a new thought to the minister, but will he make some comment on it or give the matter further consideration?

Mr. Abbott: I shall be glad to give it every consideration. While I hesitate to give a legal opinion, I shall draw it to the attention of the Minister of National Revenue. In view of the facts as stated by the hon. member, I would say that it would be legitimate for an employer to make a payment of something in the nature of a bonus, which would be for consideration of past services as well as future services, and he could deduct it as an expense. Of course, the employee would have to include it as taxable income in his own receipts.

Mr. Knowles: I shall send the minister a copy of the letter I have received, and ask him to look into it and perhaps his colleague would do so as well.

[Mr. Abbott.]

Mr. Abbott: I shall be glad to get a ruling on it.

Mr. Knowles: If there is any discretionary power that could meet either or both of the two points I have referred to, I hope it will be used favourably.

Mr. Diefenbaker: There is one matter I wish to bring to the attention of the minister. It was referred to this afternoon by the hon. member for Souris, and that is the considerable delay that is being experienced in receiving answers to questions passed as orders for returns. I want to bring a number of these matters to the minister's attention. On one previous occasion I mentioned this, and in my opinion the answers to these questions are available. The questions were passed as orders for returns on April 24. The first question reads as follows:

What was the amount expended month by month since the first of April, 1949, to date in all departments of government for (a) travelling expenses; (b) living expenses and allowances?

The next question passed as an order for return on the same date reads:

How many government officials or representatives of Canada have travelled beyond the confines of Canada in connection with government business month by month since the first day of April, 1949, and to date?

2. What has been the total amount of expenditures and for all travelling, living allowances and expenses incurred or expended by such persons since that date?

In so far as the delay in giving the answers to those questions is concerned, I do not want to bring it up every day as a question of privilege. Ten days ago I mentioned the matter, and I have since been in touch with the Secretary of State. He advises that he has not received the replies to these questions. I am now asking the minister to do his part to secure them. I do not want to raise strenuous objection at this time, except to say that there is too great a time lag in the answers given to these questions.

Furthermore I would point out that the member for Peterborough West had a question passed as an order for return on March 16. The question he asked was:

What was the total cost of (1) long distance calls; (2) telegrams, for (a) each department; (b) each section of each department of the dominion government, for the year 1949?

The hon. member asked a further question on April 27 dealing with the travelling expenses of persons engaged in publicity and information work. The member for Three Rivers had a question passed as an order for return on May 3 which read as follows:

What was the total amount of travelling and removal expenses paid by the federal treasury in (a) the year 1948; (b) the year 1949?

I do not speak about the answers to the other questions, but over a month has gone by. My questions were held up for several days on the order paper before they were passed as an order for return. I simply bring this to the attention of the minister, and say that one does not want to have to bring these matters up regularly. The degree to which delay prevails in answering questions such as these arouses at least more than passing interest as to the reason why the information is not available, having regard to the accounting facilities which the departments of government have. Surely the information requested should now be available in each department as of March 31, 1950.

I am mentioning this matter at this time and asking the minister to see to it that these delays, which are becoming almost insupportable, are not permitted to continue. The passing of orders for returns seems to amount to a means whereby answers are embalmed, and certainly great delays have resulted in connection with information which it is comparatively simple to obtain.

Mr. Abbott: I shall be glad to do that, Mr. Chairman. My hon. friend is certainly entitled to get the information for which he asked, and concerning which an order of the house was passed, just as soon as it is reasonably possible to give it. In the case of some of the returns, I know that it does take a considerable amount of time and work in order to assemble the information. That might be true in the case of travelling expenses, and I am sure it is in the Department of National Defence, where the travelling expenses of service personnel from one section of the country to another are very heavy. I do not know that it is the case with my hon. friend, but sometimes it requires a lot of work gathering in the information which the questioner really does not want. However, I shall do my utmost to urge other departments, just as I do my own, to produce the information as quickly as possible. The house is entitled to it and it should be given at the earliest reasonable date.

Section agreed to.

Sections 2 to 6 inclusive agreed to.

Schedules A, B, and C agreed to.

Preamble agreed to.

Title agreed to.

Bill reported, read the third time and passed.

Cold Storage Act

COLD STORAGE ACT

REPEAL OF PART II WITH RESPECT TO COLD STORAGE WAREHOUSES

Right Hon. J. G. Gardiner (Minister of Agriculture) moved the second reading of Bill No. 222, to amend the Cold Storage Act.

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

Mr. Charlton: Is the minister or the parliamentary assistant going to make a statement on this bill?

Mr. Robert McCubbin (Parliamentary Assistant to the Minister of Agriculture): Mr. Speaker, as the house knows, the Cold Storage Act was first passed in 1907. It was passed by parliament at that time to encourage the establishment of public cold storage warehouses in order to take care of surpluses in the flush season so that in the seasons when there was not so much it would be possible for them to be sold and in that way they would bring a better return to the primary producer. There was also a Cold Storage Act passed in 1914. Over the period since 1907, I think the government has spent somewhere in the neighbourhood of $4,815,397 to assist the cold storages in helping the primary producers. But in 1927 the two acts, the one of 1907 and the one of 1914, were brought together; they will be found in the revised statutes of 1927; I think it is chapter 25. The amendment has reference to part II of the act. As to part II of the act in respect of certain regulations covering these warehouses, nothing has ever been done with it, as all the inspections and so on are done by the provinces. The federal Department of Agriculture has never done anything in respect of that. It has always been done by the provincial governments. For that reason we are asking that part II dealing with these regulations be taken out and excluded from the act.

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

On section 1—*Part II repealed.*

Mr. Charlton: Will the parliamentary assistant assure us that there will be no change in part I of this bill and that there will be no change in grants to cold storages being built in Canada?

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

Mr. Diefenbaker: Will the parliamentary assistant say what grants have been made in Saskatchewan, Manitoba and Alberta under this act? I understand that one grant has been made in the city of Prince Albert. I should like to secure from the department

information as to the amount and as to whether the amount in question will be a continuing one payable annually.

Mr. McCubbin: I have not that information before me; but when the estimates of the Department of Agriculture come up for consideration, and when we come to the cold storage grants, at that time we shall try to answer that question.

Mr. Diefenbaker: Will the answer be given without the question being asked again?

Mr. McCubbin: Yes. I will see that that is done.

Mr. Bryce: There will still be the same grants as there were before for cold storage lockers in the country points?

Mr. McCubbin: That is right.

Mr. Bryce: That section is protected?

Mr. McCubbin: That section has been left in the act.

Section agreed to.

Title agreed to.

Bill reported, read the third time and passed.

CRIMINAL CODE

AMENDMENTS WITH RESPECT TO BREAKING AND ENTERING, FORGERY, ETC.

The house resumed, from Monday, May 29, consideration in committee of Bill No. 82, to amend the Criminal Code—Mr. Garson—Mr. Dion in the chair.

On section 9—*May remand for observation.*

Mr. Garson: Mr. Chairman, the hon. member for Lanark and I spent considerable time in conference this afternoon on an amendment to replace the one which he has already moved, one which would meet the point that he has raised and at the same time be workable in the opinion of the law officers of our department. I think my hon. friend has the amendment, which is quite agreeable to the department.

Mr. Blair: I withdraw the amendment that I moved last night and substitute therefor this one.

The Chairman: Has the hon. member the unanimous consent of the committee to withdraw his amendment?

Some hon. Members: Agreed.

Mr. Blair: I move that paragraph (f) be amended to read as follows:

(f) Where in his opinion, supported by the evidence of at least one duly qualified medical practitioner, there is reason to believe that the accused person is mentally ill, order that the accused be remanded in such custody as he directs for observation for a period not exceeding 30 days.

Amendment agreed to.

Section as amended agreed to.

On section 24—*Coming into force.*

Mr. Garson: I will ask my colleague to move that clause 24 of the act be amended by striking out the word "May" therein and substituting the word "July".

Mr. Fournier (Hull): I so move.

Amendment agreed to.

Section as amended agreed to.

Title agreed to.

Bill reported, read the third time and passed.

CANADIAN WHEAT BOARD ACT

AMENDMENTS RESPECTING CONTROL OF ELEVATORS AND RAILWAYS, ETC.

The house resumed, from Thursday, April 20, consideration of the motion of Mr. Howe that the house go into committee to consider the following resolution:

That it is expedient to present a bill to amend the Canadian Wheat Board Act, 1935, inter alia, to extend the provisions of "Part II—Control of Elevators and Railways" to August 1, 1953; to extend the definition of "pool period" to include each crop year subsequent to July 31, 1950, and prior to August 31, 1953; to vary the payments by the board to producers selling and delivering wheat produced in a designated area; to extend the provisions of "Part IV—Regulation of Interprovincial and Export Trade in Wheat," to August 1, 1953; and to substitute a schedule of mills and warehouses declared works for the general advantage of Canada for the present schedule to the act.

Mr. J. G. Diefenbaker (Lake Centre): Mr. Speaker, it seems a long while since I moved the adjournment of this debate on April 20, after the statement on the introduction of this resolution had been made by the Minister of Trade and Commerce (Mr. Howe). Since that time he has been abroad. Today he gave the house a very general statement regarding the outcome of the negotiations that he and the deputy minister had been engaged in in London over a period of several days. It is impossible to discuss in any detail the statement that was made today by the minister, for he himself said that, apart from giving the general outline, the particulars would not be given or furnished to the house at this time.

Even on the basis of the general outline that he has given, the wheat farmers of western Canada will be greatly disappointed at the failure to realize the promises so easily made from 1945 to 1949 of the benefits that would result from their accepting losses

running into at least $600 million over a period of years. In return for acceptance of lower prices then they were promised security. There will be disappointment at the nature of the arrangements that have been arrived at between the minister, on behalf of the people of Canada, and the government of the United Kingdom.

It is a far cry from the sure hopes that were expressed over and over again by the Minister of Trade and Commerce and by the Minister of Agriculture (Mr. Gardiner) as to the benefits that were to accrue to the Canadian farmer in return for the sacrifices that were made at his expense in selling his wheat under the British agreement at a price of from 75 cents to $1.10 per bushel less than the world market.

We on this side of the house—and this applies to His Majesty's loyal opposition alone—warned what the results would be. I remember well on a number of occasions the then leader of the opposition, Mr. John Bracken, reiterated his view that the course being followed would not give to the Canadian wheat farmer an assured wheat market in the United Kingdom after the termination of the agreement. He was ridiculed for that stand.

He and this party supported the British agreement in so far as selling wheat to Britain was concerned at a price below the world market; but contended that the loss thereby suffered should not be saddled on the back of the wheat farmer, but should be assumed by the people of Canada as a whole. The answer always was in effect "Wait and you shall see. After 1950 there will be an assured wheat market in the United Kingdom." The message brought back today by the Minister of Trade and Commerce is a far cry from the optimistic statements made between 1945 and 1949. Instead of an assured market the minister brings a hope. In place of security he expresses the hope that there will be a market for 110 million bushels or more. That is far from the promises that were made between 1945 and 1949 when the western wheat farmer accepted the low prices that were given him in the agreement in return for the promises made by the ministers of this government that he would be assured of markets after the termination of the agreement.

I shall say no more at this time until the minister elucidates and explains the terms of the negotiations that have taken place. Suffice it to say that after listening to him today disappointment will indeed be expressed, and properly so, by the wheat farmers of this country having regard to the losses they have sustained during the period from 1945 to 1949. All they have in return is whatever is provided for under the international wheat agreement.

Apparently there is no compulsory requirement that Britain shall buy any quantity. The only provision is that a large portion of her requirements will be bought in Canada at a price between $1.55 and $1.90, as the minister said today.

Mr. Howe: I said $1.54 and $1.98.

Mr. Diefenbaker: Having said that, and awaiting further explanations as to the negotiations, I am going to refer to the resolution.

The criticisms that I receive from farmers in connection with this resolution and the wheat board policy are as follows: First this resolution, providing for the extension of the pool period to include each crop year subsequent to July 31, 1950, and prior to August 31, 1953, is a continuation almost from year to year of the short term policies that have characterized this government in connection with this matter.

What the farmer objects to is the piecemeal policy. He was promised security not for a year or two but for a considerable period after the expiration of the 1950 period in the British agreements.

The farmer expects a guaranteed market. That is what he was promised. He now feels —and he will feel this more strongly when he reads the announcement that the minister has made—that the sacrifices he endured under the British agreement have indeed been in vain, and that now he has no real guarantee of security. He has the international agreement which is full of the loopholes which were inserted in order to arrive at agreement.

The farmer is asking for a long term policy for wheat marketing, not the piecemeal policy that is being followed now, which is immeasurably deficient when compared with the promises that were made during the period from 1945 to 1949.

Secondly, farmers cannot understand—and this applies particularly in the drought areas of the prairie provinces—why there was a denial on the part of the government and of the wheat board of an interim wheat payment this year. It could have been made applicable to those areas in the prairie provinces subject to drought. There was nothing to prevent it, including the bookkeeping difficulties alleged as an excuse by the government. The farmers are commencing to wonder whether the reason there was no interim payment is that there is little or nothing to the credit of the farmers available for final distribution, much less available for interim payment.

Thirdly, the farmers believe they have the right to expect that the business of the wheat board shall be submitted to the committee on agriculture. We have not had such a submission to that committee for two and a half years. Why? This is one board, one crown corporation, or emanation of the crown, that is not subject to examination by the Auditor General.

Surely the report should be placed before the committee on agriculture to the end that questions may be asked, and accounts in connection with its mammoth transactions be subjected to examination and cross-examination. When we endeavour to get information in parliament, as the hon. member for Souris (Mr. Ross) said today, we have difficulty in getting answers. If we try to get information respecting the wheat board and its transactions we are invariably met by a curtain that denies any information sought and the house is denied the opportunity of examining wheat board accounts in the committee on agriculture.

Mr. Howe: Mr. Speaker, on a question of privilege, I stated early in the session that if the committee on agriculture wished to examine the wheat board accounts I would give that committee every facility to do so. I would point out that the committee on agriculture has been set up, as have other committees, but I have had no request from the committee indicating that it wished to examine the accounts.

Mr. Ross (Souris): I happen to be the member who asked on March 6 that the minister refer the 1948-49 wheat board report to the standing committee on agriculture and colonization for consideration. I have asked hon. members of the committee about it, and I am informed that it met for the first time today to consider another matter. We have not to this date been able to get any reference so that the report could be studied by that committee.

Mr. Howe: My hon. friend is a member of the committee. He could have notified the clerk of the house last March that he wished to have the committee called together, just as well as to have done it today. Each member of the committee has equal responsibility. The ministry does not operate committees of the house.

Mr. Diefenbaker: I am not referring to the committee on agriculture, but some committees become too often a merry-go-round. The minister says that if the committee wants to get information, and wants the report submitted, he will submit it. Just try to get some of these committees, overpoweringly manned by supporters of the government, to do these things!

[Mr. Diefenbaker.]

Mr. Howe: Did the hon. member ever ask the committee on agriculture to examine the accounts of the wheat board?

Mr. Diefenbaker: Mr. Speaker, the committee is set up for a purpose. The agenda is to examine the Prairie Farm Assistance Act. The hon. member for Souris has already stated that these wheat board transactions should be submitted. Surely we do not have to continue to repeat the request for submission. The hon. member for Souris has asked for it. It was asked for last year, during the session of 1949, and was denied. It was denied by inattention, which is just as effective as deliberate refusal.

I am asking now that the wheat board report be submitted to the committee on agriculture to the end that examination may take place. I could say something further on that point. On one occasion when the wheat board report was submitted to the committee on agriculture, some years ago—

Mr. Ross (Souris): It was 1942.

Mr. Diefenbaker: Eight years ago. On every occasion we in the opposition endeavoured to get information the chairman of the wheat board was invariably supported by government members on the committee, with the result that our requests for information were voted down. But even in the face of that experience, we are asking that this wheat board report be sent to the committee on agriculture, to the end that examination may take place. The accounts are not examined by the Auditor General. Surely they should be subject to examination, however cursory that examination may be, by a committee of parliament.

Mr. Howe: May I ask this question, for information: How does one send a report to a committee except by laying it on the table of the house?

Mr. Diefenbaker: Well, Mr. Speaker, the minister has earned for himself the reputation of a man who gets things done. If he wanted that report submitted to the committee on agriculture, I know it could be submitted very quickly.

Mr. Ross (Souris): The previous minister used to do it without difficulty.

Mr. Howe: Well, I do not know how to submit the wheat board report to the committee, then. The hon. member is the Stanley Knowles of your party. Probably he can tell me the rule in this particular instance.

Mr. Diefenbaker: All that is necessary is for the minister to say that he wishes to have it submitted.

Mr. Ross (Souris): Certainly.

Mr. Howe: By laying it on the table of the house I indicate that it is available to any committee.

Mr. Diefenbaker: He was asked by the hon. member for Souris this year to submit it to the committee, and was asked by him and by other hon. members last year. And I now repeat the request, if the Minister of Trade and Commerce has not heard it previously, that the report be submitted, so that examination may be made of the accounts.

We cannot get the information in parliament. No department is more difficult to penetrate for information than is the Department of Trade and Commerce. I asked this question on May 22:

1. How many bushels of (a) feed oats; (b) feed barley, were sold by the wheat board to feed merchants, dealers or brokerage houses in each of the months beginning in December, 1949 and to date?

What was the purpose of that question? Surely the farmers in this country have a right to the information there sought, because in the main they are the producers. The farmers in western Canada are asking what has happened to the barley and oats they produced. Is it a fact that the wheat board has sold a large portion of it to brokerage firms in the United States? They would like to have answers to it and other questions.

The farmers in eastern Canada who feed cattle and hogs want to know why the prices of barley and oats are so high. They want to know what has happened to feed supplies. They want to know whether or not the wheat board has made any provision for the sale of feed oats and barley to eastern farmers engaged in livestock production.

The next question is:

2. What was the average price received for each of said grains in each of said months?

Eighty per cent of our coarse grain production is fed or disposed of in Canada. What possible harm could there be in furnishing that information? When the people of Canada ask for information, when the farmers in western Canada and in Ontario ask for information, the answer given by the government is:

It is not the policy of the Canadian wheat board to divulge its sales position within the crop year in which it is operating.

I am not going to deny that position as far as wheat on the international market is concerned, but that argument does not apply to sales of barley and oats within Canada, commodities that are so necessary to the eastern farmer and eastern livestock producer for feeding purposes. The Minister of Finance has said in effect: "Ask and the information will be given." Yet when a simple question such as that is asked, the farmers, the producers of livestock and the producers of barley and oats witness a brush-off of parliament, a denial by the wheat board of information to which parliament is entitled.

If the wheat board report is submitted to the committee an opportunity will be given to ask these questions and receive the information denied to parliament. I ask what recourse the opposition has against an all-powerful government supported by an all-powerful majority when information is denied regardless of whether or not it is justifiable. Up until recent years information could be denied by a minister of the crown only on the ground that it was not in the public interest, but that has been extended. Three members of the wheat board are able to say to parliament in effect "We just do not choose to answer; that is not a course that we are going to follow, the giving of information within the crop year in which we are operating".

This is the first year in which the wheat board has the exclusive marketing control of barley and oats and there have been difficulties. The western farmer is asking whether the wheat board has disposed of his oats and barley elsewhere than in Canada. He wants to know what prices have been received and whether or not the wheat board in effect is discharging its responsibility of getting the best price for oats and barley rather than doing what it did under the British agreements—secure a political price determined by the government rather than by world demand.

The members of the Progressive Conservative party believe that the farmers should have some say in the marketing of their own products. We have fought for the principle that the producers should have some control over the marketing of their wheat, oats and barley. We believe in the necessity—we think the events of the last few years support us in this regard—of an advisory board made up of a majority of farmers being set up to advise the wheat board to the end that the best possible prices may be received and so the farm producer will have some say as to the disposal of his wheat, oats and barley. The board should be a producers' wheat board operating for the benefit of the farmers in accordance with business principles.

For the past five years wheat farmers have been deluded by the promise that for the sacrifice of several hundred millions of dollars in prices that could have been secured for their wheat they were to have security of market after the termination of

the British agreement in 1950. The statement made by the minister today is an effective answer to any who were minded to suffer from such a delusion.

The minister's statement occupies but two pages of *Hansard*. It states that discussions have been carried on in London and that both governments have now reviewed the results of those talks and are agreed that the international wheat agreement removes the need for a contract to replace the existing Anglo-Canadian wheat agreement. That was not the view one year ago. That was not the view six months ago. That was not the view expressed during the campaign just prior to the last election.

Finally the minister said, in summary, that the United Kingdom has made it clear that out of its total wheat import requirements in 1950-51, it expects to buy a large proportion in Canada which, quite apart from the special contractual arrangements for the past four years, is, and it is hoped will remain, the traditional source of supply for the United Kingdom. The minister's speech was an expression of hope, when instead he should have given parliament evidence of the security that was promised during the period of the British agreements.

With these few observations I will conclude. I believe the announcement made by the minister will be received with deep disappointment by wheat farmers, for it fails to carry out the promises made so clearly over five long years that the farmers of western Canada would achieve security after the termination of the agreements in return for the sale of their wheat at prices below world prices. What many farmers are thinking is indicated by a resolution recently sent to me by the Quinton wheat pool committee which reads as follows:

> That we the Quinton wheat pool committee feel that our M.P. should back up the resolution of the federation of agriculture, that the farmer be reimbursed through the wheat board for the subsidizing of wheat used for home consumption during part of the five-year pool.

That indicates that by reason of the failure of this government and the wheat board to provide the security that was promised, farmers throughout the west are beginning to ask that they be reimbursed for the losses they have suffered in subsidizing wheat used for home consumption.

At six o'clock the house took recess.

[Mr. Diefenbaker.]

AFTER RECESS

The house resumed at eight o'clock.

PRIVATE BILLS

SECOND READINGS—SENATE BILLS

Mr. H. W. Winkler (Lisgar) moved that the following bills be read the second time:

Bill No. 238, for the relief of Katherine Madge Samworth Monty.—Mr. Winkler.

Bill No. 239, for the relief of Clara Rosen Freedman.—Mr. Winkler.

Bill No. 240, for the relief of Frances Berman Mellor, otherwise known as Sharie Sinclaire.—Mr. Winkler.

Bill No. 241, for the relief of Rodolphe Durand.—Mr. Winkler.

Bill No. 242, for the relief of Helen Leck Karaszi.—Mr. Winkler.

Bill No. 243, for the relief of Sadie Chernin Petruska, otherwise known as Sadie Chernin Prince.—Mr. Winkler.

Bill No. 244, for the relief of Audrey Phyllis Angela Blom Rochfort.—Mr. Winkler.

Bill No. 245, for the relief of Patricia Ruth Segall Wener.—Mr. Winkler.

Bill No. 246, for the relief of Sophie Piatkowski Demyk.—Mr. Winkler.

Bill No. 247, for the relief of Hilda Brooks Nangreaves.—Mr. Winkler.

Bill No. 248, for the relief of Zemelia Katrina Ayoub MacDonald.—Mr. Winkler.

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

Some hon. Members: On division.

Mr. Speaker: Carried on division.

Motion agreed to on division and bills read the second time.

Mr. Speaker: These bills are referred to the standing committee on miscellaneous private bills.

INDUSTRIAL RELATIONS

AMENDMENT OF CHAPTER 54, STATUTES OF 1947-48—VOLUNTARY REVOCABLE CHECK-OFF OF UNION DUES

The house resumed, from Friday, April 28, consideration of the motion of Mr. Knowles for the second reading of Bill No. 3, to amend the Industrial Relations and Disputes Investigation Act (voluntary revocable check-off).

Mr. Knowles: Mr. Speaker—

Mr. Mitchell: Question.

Mr. Speaker: Order; I should like to ascertain who adjourned the debate.

Mr. Mitchell: I was the last speaker, but I did not adjourn it.

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

Mr. Knowles: Mr. Speaker—

Mr. Speaker: If the hon. member speaks now he will close the debate.

Mr. Stanley Knowles (Winnipeg North Centre): I will take only a few minutes to do that, for I am glad that the house is prepared to vote on this measure. As I indicated in moving the second reading of the bill, its purpose is very clear and direct. It asks for the voluntary revocable check-off of trade union dues. It proposes that the check-off shall be brought into effect only when asked for by a union certified under this act; and even then it is to apply only in the case of those employees who request in writing that the check-off for their dues be made from their wages. It is also clear from the provisions of the act that if any of those employees later request that the check-off cease, it shall cease forthwith.

As I indicated in introducing this measure, it is a move for which there is recorded support on the part of all political parties in this house. All parties indicated during the course of the last election campaign that they favoured various measures of union security. This, as I have pointed out, is the minimum measure of union security; that is, the voluntary revocable check-off of union dues. I also indicated the last time I spoke on this measure that the wording of the bill now before the house, as far as this new section which would be written into the bill is concerned, is precisely the same as the wording that was put in the Industrial Relations and Disputes Investigation Act when that measure was reported back to this house by the industrial relations committee in 1948. On that occasion the bill, after second reading, was referred to the industrial relations committee without this clause in it; but during the deliberations of that committee this clause was written in on the motion of the hon. member for Spadina (Mr. Croll). As I have already pointed out, the wording proposed in the first instance by the hon. member was later revised at the suggestion of the legal adviser of the Department of Labour. I am not thereby suggesting that the legal adviser necessarily supported the principle of the proposal; but at least, that principle having been endorsed by the committee, it was then put in a form acceptable to the legal adviser.

The bill that came back to the house in 1948, therefore, contained—word for word—this very clause which my bill seeks to write into the labour code. Here on the floor of the house during discussion of the bill clause by clause, on the motion of the hon. member for Timiskaming (Mr. Little), that clause was dropped out of the labour code. I feel the time has now come when it should be put back in, and I think it well that the house should have had this chance to consider the matter over two or three of these private members' hours. When the vote is called I hope members of all parties will stand by the position they have taken, particularly during election campaigns, by endorsing this minimum measure of union security.

Mr. Harris (Danforth): Just before the hon. member resumes his seat I should like to know if he really feels that the employees are anxious to have this amendment. I am not going to make a speech; but do one hundred per cent of the men themselves want this voluntary revocable check-off? Do they not want a little more freedom of action for themselves?

Mr. Knowles: I do not suppose there is anything coming within the field of human choice that has the support of one hundred per cent of the people concerned, but—

Mr. Harris (Danforth): Then any reasonable percentage?

Mr. Knowles: —I was asked if it is my judgment that trade union workers generally want this measure, and my judgment is that they do. Many of them want more than this measure of union security, but they do want this minimum measure.

Mr. Harris (Danforth): One more question; do the union workers want it or the union leaders?

Mr. Knowles: Mr. Speaker, I think the distinction the member for Danforth seeks to make is not well taken. The views of trade union organizations are built up from the views of the local unions that are affiliated to the various trade union councils. These resolutions come up in the democratic way, so that when a body like the Canadian Congress of Labour writes a proposed code, and asks parliament to put this measure into the labour code, I am satisfied it is an expression of the wishes of the majority of the trade union members themselves.

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

Mr. Knowles: Carried.

Some hon. Members: No.

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

Some hon. Members: Yea.

Mr. Speaker: Those opposed will say "nay".

Industrial Relations

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Speaker: Call in the members.

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

YEAS

Messrs:

Applewhaite	Green
Argue	Hansell
Black (Cumberland)	Hellyer
Blackmore	Herridge
Browne (St. John's West)	Jones
Bryce	Knight
Byrne	Knowles
Carroll	Laing
Catherwood	Low
Cavers	Mott
Charlton	Noseworthy
Coldwell	Proudfoot
Conacher	Quelch
Croll	Riley
Cruickshank	Robertson
Diefenbaker	Rooney
Dumas	Shaw
Eyre	Sinclair
Fraser	Stewart (Winnipeg North)
Gibson	Thomas
Gillis	Wright
Goode	Wylie—45.
Gosselin	

NAYS

Messrs:

Adamson	Harris (Danforth)
Anderson	Harris (Grey-Bruce)
Arsenault	Harrison
Bater	Henderson
Beaudoin	Hetland
Beaudry	Hodgson
Blair	Howe
Blanchette	Hunter
Boisvert	James
Bonnier	Jeffery
Boucher	Jutras
Bradette	Kent
Campney	Kirk (Digby-Yarmouth)
Cannon	Lafontaine
Carter	Langlois (Berthier-Maskinonge)
Corry	Lapointe
Cournoyer	Larson
Dechene	Leduc
Decore	Lefrançois
Demers	Leger
Denis	Lesage
Dewar	MacDougall
Dickey	MacKenzie
Eudes	MacLean (Cape Breton North and Victoria)
Ferguson	MacNaught
Ferrie	Macnaughton
Fleming	McCubbin
Follwell	McCulloch
Fournier (Hull)	McCusker
Fournier (Maisonneuve-Rosemont)	McDonald (Parry Sound-Muskoka)
Fulford	McGregor
Gauthier (Sudbury)	McIlraith
Gingras	McIvor
Gingues	McLean (Huron-Perth)
Gregg	McWilliam
Harkness	Masse
Murray (Oxford)	Stick
Murray (Cariboo)	Studer
Poulin	Tremblay
Pouliot	Tustin
Ratelle	Valois
Richard (Gloucester)	Viau
Roberge	Warren
Robinson	Weaver
Smith (Queens-Shelburne)	Weir
Smith (Moose Mountain)	White (Hastings-Peterborough)
Stanfield	White (Middlesex East)
Stewart (Yorkton)	Whiteside
	Winkler
	Winters—98.

[Mr. Speaker.]

Mr. Mitchell: Mr. Speaker, I was paired with the hon. member for Waterloo South (Mr. Homuth). In the interests of the trade unionists, had I voted I would certainly have voted "no" on the motion.

Mr. Knowles: Order.

Mr. Hosking: I was paired with the hon. member for Moose Jaw (Mr. Thatcher). Had I voted, I would have voted against the motion.

Mr. Smith (Calgary West): I was paired with the hon. member for Edmonton East (Mr. Macdonald).

INDUSTRIAL RELATIONS

AMENDMENT OF ACT OF 1947-48— REINSTATEMENT AND COMPENSATION

The house resumed, from Tuesday, May 16, consideration of the motion of Mr. Noseworthy for the second reading of Bill No. 10, to amend the Industrial Relations and Disputes Investigation Act (reinstatement and compensation).

Hon. Humphrey Mitchell (Minister of Labour): If I remember rightly, I adjourned the debate. I will be only two minutes. I just want to correct an impression left by my hon. friend in connection with the application of the labour legislation in Ontario.

Mr. Knowles: Mr. Speaker, I rise to a point of order. I realize the minister is not seeking to be out of order, but it just so happens he did not adjourn the debate on this motion. He spoke earlier, followed by the hon. member for Vancouver East (Mr. MacInnis), and then by the hon. member for Verdun-La Salle (Mr. Cote).

Mr. Mitchell: I thought I adjourned to debate.

Mr. Gillis: You adjourned it on my bill.

Mr. Mitchell: So much the better. I am opposed to the bill anyway.

Mr. Speaker: Has the minister the approval of the house to say a few words?

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Knowles: No.

Mr. Fournier (Maisonneuve-Rosemont): The minister is speaking on a question of privilege.

Mr. Speaker: If the minister desires to speak on a question of privilege it will have to be one involving the privileges of all members of the house. I must point out that he cannot speak twice in this debate. According to the record he spoke the other evening, and I must see that the rules of the house are carried out with respect to all members.

Mr. Mitchell: I just want to say that the hon. member for Winnipeg North Centre (Mr. Knowles) should be the last man in Canada to try to prevent a person from speaking on a question like this.

Some hon. Members: Hear, hear.

Mr. Mitchell: On a question of privilege, I just wish to deal with the question raised by my good friend, the hon. member for York South (Mr. Noseworthy).

Mr. Cruickshank: Hamilton West.

Mr. Mitchell: Don't try to be funny. You are too funny all the time. If you tried to be a good Liberal once in a while it would not be so bad.

Mr. Cruickshank: You can't even be funny.

Mr. Mitchell: I think the house would like to have this information. The hon. member for York South spoke of a case, I think in Kitchener, in which a prosecution took place. He thought it was under the Labour Relations Act of Ontario. It turned out to be under P.C. 1003, which was an order in council governing labour relations during the war. Some criticism was offered of the magistrate in that case. In fairness to the magistrate, in fairness to my hon. friend and in fairness to the people who drafted the legislation, it should be pointed out that the magistrate carried out his duty under the order in council to the full. Under the labour relations legislation of the province of Ontario and of the Dominion of Canada of course that mistake could not be made. We found out the weakness and corrected it by legislation.

Mr. Noseworthy: Mr. Speaker—

Mr. Speaker: If the hon. member for York South speaks now he will close the debate.

Mr. A. L. Smith (Calgary West): If that is so, Mr. Speaker, I want to say a word or two on this legislation. I am not in favour of the bill, and I put it on rather broad grounds. This house has already defeated similar measures on the same grounds that I now bring before the house. I refer to the whole scheme of the act respecting industrial relations, on which some of us at the last session and the one before spent a great deal of time. I think the committee are to be congratulated on bringing out a piece of legislation which received almost the unanimous support of the house. I agree with the argument, which has been used in connection with other measures, that a bill passed with general approbation should be allowed some time to operate without, from year to year, submitting amendments to bring about some result which, in size, is very limited when compared with those broad things accomplished by the bill itself.

The principle behind this measure is one involving judgment in a dispute. It involves the enforcing of judgments by bodies other than those courts which, in the experience of all of us, in times past, have been the custodian of that authority. The bill is brief, and gives to the board the right to fix compensation for persons who have been discharged contrary to the provisions of the act.

My main point is that if someone has done something to someone else and, in doing so, has acted contrary to law, then our courts have always been open and, indeed, are now open, to give that person redress against the wrongdoer. He who is in breach of the law is always the wrongdoer. Without commenting at all on hurry-up methods of dealing with legal matters I content myself with saying just this, that past experience has shown us that when we seek shortcuts we usually get ourselves into more difficulties than we would have had if we had followed the normal, orderly and ordinary procedure.

It may be that the sponsors and advocates of this measure have in mind the case of a discharged person who has felt he was not treated fairly. All of us at times have felt that way. But after all in this country there are courts who are charged with, accept and discharge the responsibility of deciding whether we as individuals have in fact been treated fairly.

This bill seeks to give a board the right to say that so-and-so was treated unfairly, and that therefore compensation as provided by the board should be paid to the aggrieved person. My point is that if a person, to use the language of the bill, has been discharged contrary to the provisions of the act, such person has suffered—and I hesitate to use legal language—a tort, or a wrongdoing. Who is there to suggest that our courts are not competent to take care of any proper claim that a tort has been done against an individual?

In short the bill states that—

The board shall have power to make an order requiring an employer to reinstate any employee

discharged contrary to the provisions of this act and to pay such employee the monetary loss suffered by reason of such discharge.

I do not complain very much about the language. But when I see people bringing into this House of Commons bills which are one-sided, then I am opposed to them. If the hon. member had said that in the event of an employee doing something by way of injury to his employer such employer should seek equal rights before the board as against the employee, then perhaps I could see at least some fairness and some moral soundness in the idea behind the advancement of this bill. But this business of special legislation and special pleading for the friends of any group in the house must come to naught, unless they are broad enough to be fair to all parties concerned.

I fall back to my original statement, and that is to say that I am aware of criticisms of our courts; I know they are not perfect. I also know that no man-made thing has ever been perfect, and that perhaps such will never be perfect. But I do say this, with some knowledge of my subject, that in so far as we in the House of Commons believe in the administration of justice—and that is what this is—by our courts, we accept it as the best system yet found by any civilized people since the world began.

So I say the minute we start whittling and chiselling at the jurisdiction of our courts, to effect some special thing we have in mind—a single-track mind, if you like—at that minute we begin cutting down the jurisdiction of our courts, and immediately find ourselves in trouble.

It may be that the hon. member has something in mind. Perhaps I should modify that statement, because I know he has a great deal in his mind. My meaning was that it may be that he thinks there are some evils that are so general they should be dealt with by legislation in parliament. If that were true I would have a great deal of sympathy, and certainly have an open mind as to how I might vote in respect of a proposal of that kind. But I would need to be convinced that our courts had failed in their bounden duty, that the scales of justice had not been held evenly—which I do not for one moment believe. I would need to be convinced that there was some broad and general difficulty which would prompt parliament to enter into a field of legislation which would take care of some narrow business and which procedure in the end might not result in any good but rather in evil toward the whole structure.

I am opposed to the bill. I go a step further, and in making this statement I know I

[Mr. Smith (Calgary West).]

am not going to popularize myself with the voters. I wonder if we appreciate that labour today owes its very high position to legislation passed by parliaments and legislatures. I wonder how much the sponsor of this bill appreciates the simple fact that the growth of union organizations since the last war has been tremendous—and, so far as I am concerned, rightly so. I wonder if we all appreciate the tremendous gains which have been made. Why have they been made? They have been made because parliaments, congresses, legislatures, United Kingdom parliaments and so on have said two things: first, that no labour organization may be held liable in a charge of conspiracy. That is the thing upon which it is all founded. We have also said that the treasury—I will admit that there has been an alteration in the United States under the recent legislation—of a labour organization shall be free and exempt from civil action against the organization. I agree with both those things. I think they are the foundation upon which this tremendous growth has been built. But I say to all of these people: Do not work a willing horse to death.

They have made great progress. I have acted for them and I know something about them. I am not one of those who, every time the name of John Lewis is mentioned, use an expression which is quite unparliamentary. I am not blind to the tremendous service which that man has rendered labour on the North American continent. I remember the situation in the coal mines in many places in the United States and even in Canada where there were company houses and company stores and everybody owed the employer money at the end of the month.

Do not let us get personal about this thing and condemn somebody because he has committed excesses. Labour has committed excesses, but so has capital, and lots of them. I think the great thing that has been achieved by thinking people in the Dominion of Canada is that no longer shall industry regard labour as simply an intake product in the factory. A great gain has been made in that connection. With the assistance of the minister and other like-minded people the growth of labour has been tremendous. All we need to do is look at the settlement of that great automobile strike the other day. That would have been utterly impossible a few weeks ago. I am not going to talk out this motion, but I cannot say that I am going to vote against it because my pair is not here. But at least I am making my sentiments known.

I am going to give some advice to my hon. friends who sit to my left. I cannot charge them for it and they would not pay me

if I did. Why not leave well enough alone? Why not flex your muscles and appreciate the wonderful growth you have had? But do not try to rush the growler too hard.

Mr. Gillis: We have listened to that kind of argument in respect to every piece of legislation protecting labour that is on the statute books today.

Mr. Smith (Calgary West): I am going to say something to my hon. friend that he did not think I would say. Both in this House of Commons and elsewhere I have said that the strike is labour's weapon. There is no doubt about that. But no strike has succeeded unless it has had public support. You people who are anxious to kill the goose that laid the golden eggs will find that the public will rise in revolt against you.

I am proud of your accomplishments, but I am just saying to every hon. member who has some labour votes in his areas—I have them —do not come along and say, "I am going to move an amendment to clause A, B, C, D, of sections 1 to 290," or whatever it is. That is not the way to grow. That is not the way to bring peace. I am proud of the minister. He has made the same speech for the six years I have been here, but I like it. He believes in conciliation.

Look at the Chrysler show across the line. Look at what Walter Reuther went through. They tried to blow his chest off but it was lucky he stooped and got it in the arm. I am proud of our Canadian labour organizations who have thrown out of their midst those people who would destroy, not only labour but us as well. I am sorry to be so impassioned about this, but I rather believe what I have been saying.

Mr. Noseworthy: Mr. Speaker—

Mr. Speaker: If the hon. member for York South speaks now he will close the debate.

Mr. Noseworthy: I should like to close the debate.

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

YEAS

Messrs:

Argue	Jones
Blackmore	Knight
Bryce	Knowles
Coldwell	Noseworthy
Croll	Quelch
Gillis	Stewart (Winnipeg North)
Herridge	Wright—14.

NAYS

Messrs:

Abbott	Arsenault
Adamson	Bater
Anderson	Beaudoin
Applewhaite	Bennett
Black (Chateauguay-Huntingdon-Laprairie)	Laing
Black (Cumberland)	Langlois (Berthier-Maskinonge)
Blanchette	Lapointe
Boisvert	Larson
Bonnier	Leduc
Boucher	Lefrançois
Bourget	Leger
Bradette	Lesage
Brisson	Little
Brooks	Low
Browne (St. John's West)	Macdonald (Edmonton East)
Bruneau	MacDougall
Byrne	MacKenzie
Campney	MacLean (Cape Breton North and Victoria)
Cannon	MacNaught
Carter	Macnaughton
Catherwood	McCubbin
Cavers	McCulloch
Charlton	McCusker
Corry	McDonald (Parry Sound-Muskoka)
Cote (Matapedia-Matane)	McIlraith
Cournoyer	McIvor
Cruickshank	McLean (Huron-Perth)
Dechene	McWilliam
Decore	Masse
Demers	Maybank
Denis	Mott
Dewar	Murray (Oxford)
Dickey	Murray (Cariboo)
Diefenbaker	Mutch
Dion	Pearkes
Dube	Poulin
Dumas	Power
Eudes	Proudfoot
Eyre	Prudham
Fair	Ratelle
Ferrie	Richard (Gloucester)
Fleming	Riley
Follwell	Roberge
Fournier (Hull)	Robertson
Fournier (Maisonneuve-Rosemont)	Robinson
Fraser	Rooney
Fulford	Rowe
Gardiner	Shaw
Gauthier (Sudbury)	Simmons
Gauthier (Portneuf)	Sinclair
George	Smith (Calgary West)
Gibson	Smith (Queens-Shelburne)
Gingras	Smith (York North)
Gingues	Smith (Moose Mountain)
Goode	Stanfield
Gosselin	Stewart (Yorkton)
Green	Stick
Gregg	Studer
Harkness	Thomas
Harris (Danforth)	Tremblay
Harris (Grey-Bruce)	Tustin
Harrison	Valois
Hellyer	Viau
Helme	Warren
Henderson	Weaver
Hetland	Weir
Hodgson	Welbourn
Howe	White (Middlesex East)
Hunter	Whiteside
James	Winkler
Jeffery	Winters
Jutras	Wylie—147.
Kent	
Kirk (Digby-Yarmouth)	
Lafontaine	

Mr. Hosking: I was paired with the hon. member for Moose Jaw (Mr. Thatcher). Had I voted I would have voted against the motion.

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

CANADIAN WHEAT BOARD ACT

AMENDMENTS RESPECTING CONTROL OF ELEVATORS AND RAILWAYS, ETC.

The house resumed consideration of the motion of Mr. Howe that the house go into committee on the following resolution:

That it is expedient to present a bill to amend the Canadian Wheat Board Act, 1935, inter alia, to extend the provisions of "Part II—Control of Elevators and Railways" to August 1, 1953; to extend the definition of "pool period" to include each crop year subsequent to July 31, 1950, and prior to August 31, 1953; to vary the payments by the board to producers selling and delivering wheat produced in a designated area; to extend the provisions of "Part IV—Regulation of Interprovincial and Export Trade in Wheat," to August 1, 1953; and to substitute a schedule of mills and warehouses declared works for the general advantage of Canada for the present schedule to the act.

Mr. H. R. Argue (Assiniboia): Mr. Speaker, the resolution before the house is to extend the powers of the wheat board to July 31, 1953. We in this group support the extension of the wheat board act to cover the remaining period of the international wheat agreement. The resolution would make August 1, 1950, the beginning of a one year pool period. I believe that will meet the general wishes of the wheat producers, in that they are anxious to get the final returns from the sale of any single year's crop as early as possible. It also gives the board the power to vary payments to the producers selling and delivering wheat produced in a designated area. That provision, as I understand it, would allow for the changing of the floor price from time to time, and also provide for the paying out of whatever moneys are earned, and the paying out of the final price for any given year.

I do not think, however, wheat producers will welcome the fact that the floor price is being established for only one year at a time, The wheat producers would like to have a floor price below which the price of wheat could not go, and that floor price guaranteed for a further period of years. I listened with considerable interest to the statement made by the Minister of Trade and Commerce (Mr. Howe) this afternoon. It is my opinion the announcement he made represents a further serious blow to the wheat producers of western Canada. It comes on top of a number of serious blows that have been levelled against wheat producers this year. The first blow came when the wheat board report was made public for the year ending July 31, 1949. The wheat producers looked over that report, and came to the conclusion there could not be a further 20 cent payment this spring as they had been promised. They were told that any payment that was made by the wheat board would be made out of surplus funds available. Instead they found that on July 31, 1949, the wheat board had a deficit of more than $5 million. The first blow to the western farmer, therefore, was when he became aware that there was not a large surplus available for him in the wheat board fund.

The second blow came when the minister announced, just before the Easter recess, that the initial price for wheat for the coming year would be lowered by 35 cents a bushel. There is no question that a lowered price for wheat at this time, when farmers' costs of production are continuing to rise, will represent a serious deterioration in the standard of living of wheat producers. At the same time our wheat producers have not the opportunity, as they had two or three years ago, of diversifying production into other profitable lines. The poultry industry is not profitable today. The floor price for butter has been dropped a further 5 cents a pound. There is no adequate market for Canadian bacon, and the bacon floor price is most unsatisfactory. The farmer has not the opportunity now of diversifying to other forms of agricultural production, but will have to produce more wheat and grain than he otherwise would had he a chance to engage in other lines of agricultural production at a greater return.

With this announcement an additional blow was struck when the minister stated that the floor price would be guaranteed for the coming crop year only. After that, some other floor price would be set. While our markets for wheat are not, in my opinion, assured, and while the price is to be dropped 35 cents a bushel, there is no guarantee that the farmer will be able to sell all the wheat he produces. The only guarantee given is that the wheat board will accept 14 bushels per authorized acre, so if there is difficulty in the marketing of wheat during the coming year, or if there is a large crop of wheat in western Canada, the farmer is guaranteed a market for only 14 bushels per authorized acre. I believe that the bill which will be introduced following the adoption of this resolution, for which I shall vote, should be referred to the agricultural committee. I think it should be carefully considered by that committee, and at that time I would hope that hon. members would ask that the Canadian wheat board officials appear before the committee so that we could go over the previous annual reports of that board.

This afternoon the minister stated that, "in the light of all our discussions, it is reason-

able to assume that in 1950-51 the United Kingdom will purchase from Canada between 100 and 120 million bushels of wheat." This certainly represents a serious drop in the British market from the present quantity of 140 million bushels. It is a serious drop indeed from the 600 million bushels of wheat which Britain has taken over the last four-year period. The minister also stated that it was understood "such wheat would be offered upon international wheat agreement terms, as to quality and position, not less favourable than those obtained by any other buyer in the dollar area, whether it be in the United States or Canada." That would seem to mean that if the wheat board sells wheat to any country within the international wheat agreement in any one day, Canada undertakes to sell wheat to Britain on that day at a price not greater than the price charged to the other country. It would seem to me that, unless some other arrangements are made with respect to the coming crop, nothing will accrue to the wheat producers because of the "have regard to" clause of the United Kingdom wheat agreement. With the wheat producer having a market in Britain this year, according to the minister's assumption, of between 100 million and 120 million bushels of wheat, and with war ravaged countries all over the world getting back into agricultural production, we certainly may have a serious marketing problem on our hands. I believe that Canada could have maintained the preferred position in the United Kingdom market that we have built up over the last four years. Instead of that, however, our United Kingdom market for wheat and other exports is falling drastically.

I have in my hand the latest copy of *Foreign Trade* put out by the Department of Trade and Commerce. It shows that our exports to the United Kingdom in April of 1949 amounted to $63 million; but our exports for April of this year have dropped to just over $25 million. The report shows that within the first four months of 1949 we were able to export to Britain $202 million worth of goods and that in the same four-months period this year only $134 million worth. We are therefore losing the British market for many farm products. I think that could have been avoided.

In the same issue of *Foreign Trade* it is stated that Great Britain last year either renewed or signed twenty-four trade agreements with twenty-four different countries, providing for the bilateral exchange of British exports for the exports of those other countries. I am not going to list them all, but I might mention the first one that is listed in this article. It is a trade agreement with the Argentine signed on June 27, 1949, and it covers £129 million sterling of imports from the Argentine. On looking up that trade agreement in Keesing's, I find that Great Britain in the present year agrees to buy at least 300,000 long tons of meat and the Argentine agrees to supply that quantity and, if possible, 400,000 long tons. Great Britain is not going without agricultural products. Great Britain has signed bilateral agreements with countries all over the world for the exchange of British goods for goods that Britain needs to consume. I believe Canada could have retained in Britain a market for wheat as large as the market we have had in the last four years if our government had been prepared, as I think they should have been, to sign bilateral agreements which would cover not only the export of Canadian wheat to Great Britain but also the importation into Canada of British manufactured goods.

I believe we have some security in the international wheat agreement; but as I have studied that agreement and the results that have been obtained so far this year under that agreement, I am convinced that we need a large wheat market outside of the agreement if we are going to sell all the wheat that Canadian farmers are likely to produce. For example, I have a return here which shows the quantity of wheat purchased by importing countries from August 1, 1949, up to April 28, 1950. It shows that while most of the importing countries have taken, what I consider, a reasonable quantity within the first nine months of this year, nevertheless there are some large importing nations that have taken little wheat, and some of them have taken no wheat at all. For example, Bolivia agreed to take a little more than 2,750,000 bushels; according to this return, for the first nine months of the year she has taken less than one million bushels. Brazil agreed to take 13,250,000 bushels and up until April 28 had taken only 1,839 bushels. I see that Italy, which is one of the large importing nations according to the agreement, has taken only a small part of the quota that she was given. She has a quota of just over 40 million bushels, and in the first nine months of the year she imported just under 7,500,000 bushels; so she has taken only some 20 per cent of the 40 million bushels she agreed to take. Peru agreed to take 7,348,000 bushels, and up until this date had taken some 3,300,000 bushels. Saudi Arabia had agreed to take 1,837,000 bushels and had taken less than one-third of that quantity in this period, namely 568,000 bushels. China, for reasons which I presume are well known to all of us, according to this return did not take any of

the 7,348,000 bushels of her quota. I therefore think it is clear that while, generally, the importing countries are abiding by the international wheat agreement, there are quite a number of importing countries that have bought little or none of their yearly quota to date. And even if every importing country under the international wheat agreement buys every bushel it agrees to buy, Canada will still have a considerable quantity of wheat she needs to sell over and above that agreement. It would appear to me now that we cannot sell to every country in the international wheat agreement that quantity of wheat that the importing nation agrees to take from either Canada, Australia or the United States. Because of that situation, I feel that the announcement made by the minister that he is assuming that Great Britain will take only from 100 million to 120 million bushels of wheat next year is an announcement which means that the farmers may not have a guaranteed market for all the wheat they may produce this year. As I said a few moments ago, the initial price is going down 35 cents a bushel. There is no guarantee that the farmer will be able to sell all the wheat that he produces even at that price. At the same time farmers' costs are rising and are continuing to rise. Just the other day we had a further increase in freight rates. Without question, that will add to the costs of machinery and repairs, gasoline, lumber and almost everything that goes into farmers' costs of production.

In the period from 1935 to 1939 we had a wheat board, and that board set certain initial prices. For the first three years, that is, 1935, 1936 and 1937, the initial price was 87½ cents a bushel. In 1938 the initial price was lowered to 80 cents a bushel. In 1939, still under a Liberal administration, the price was again lowered to 70 cents a bushel. Within that five-year period the average initial price offered by the wheat board was 82½ cents a bushel. If you take freight and handling charges, you have an initial price to the farmer in that period of something over 60 cents a bushel. With the present initial price of $1.40 a bushel, and taking off freight and handling charges, you have an initial price to the producer of approximately $1.20 a bushel. In other words, the initial price in 1950 will be twice as much as the initial price before the war. But the farmers' costs of production today are twice as much as they were before the war. As my hon. friend here reminds me, before the war wheat was at depression levels. I am afraid, however, that the farmers' costs of production at that time were not at depression levels.

[Mr. Argue.]

I have here an index, published by the dominion bureau of statistics, which sets forth the index for eleven important commodities going into the farmers' costs of production. That index is based on 1935-39 equals 100. The eleven commodities include farm implements, building material, gasoline, oil, grease, feed, fertilizer, binder twine, seed, hardware, tax rates, interest rates and farm wages; in other words, almost all of the important costs of production that the farmer must meet. In January of this year that index was 196·3, or almost twice as much as it was in 1935-39. And so you have the initial price for wheat for the coming year roughly twice that of the initial price in the immediate pre-war period. You have the farmer's costs of production twice as high, so that the farmer, in my opinion, is going back to the pre-war depression subsistence level. Therefore I say without question that within the last few months and the last few weeks and again today the farmers of western Canada have had levelled against them a number of serious blows resulting from the changes in the government's wheat policy.

There are to be no further large initial payments this spring. There is to be a drop of 35 cents a bushel in the initial price on August 1 of this year. There is to be a floor price for only one year at a time. No longer will there be long-term stability. Then there was the announcement by the minister this afternoon that we are going to take a reduction, according to his estimation, of not less than 20 million bushels in the quantity of wheat that we will ship to the United Kingdom this year, and if his lower figure proves the correct one it will be a reduction of 40 million bushels.

I say it is time the government reconsidered its policy, in the light of the sacrifices that our producers have made over the last number of years, when they accepted prices we all knew were below world prices, and were below the prices that could have been obtained from the domestic consumer if prices for agricultural products, as was done in everything else, had been allowed to find their own level.

Instead, the government said: We are going to give you a price stabilization policy; we say to you that we are not going to let you have the highest possible price, but when prices start to fall we are not going to ask you to take the lowest price. The farmer said: I agree that that is a good policy, and even if I make great sacrifices over a few years, I know that I shall have a chance to recoup my losses.

It has been estimated by various members how much the farmer has lost. I do not think anyone will ever know precisely but it runs into hundreds of millions of dollars. We know that the floor price under the international wheat agreement for the coming year is $1.54 in Canadian funds; yet we have the government setting an initial price 14 cents a bushel below the floor price in the international agreement, and that may well be all the farmer will get; I do not know.

Before Easter the Minister of Trade and Commerce (Mr. Howe) explained why that might be all he would get. At the end of the 1950-51 crop year the wheat board would very likely have a considerable carry-over of wheat that would have to be marketed in the first months of the next year, being a year when the floor price under the international agreement fell another 10 cents a bushel. The government is therefore playing it safe. They are not risking anything in their present legislation. But the result of a drop of 35 cents a bushel in the initial price for wheat, a further loss of our international markets for wheat, along with the loss of a great many other markets for agricultural products, may spell such a substantial reduction in the standard of living in western Canada that it will affect all of the people from one coast of this country to the other.

I think we are getting in a vicious circle. The government adopts certain policies from time to time. We have no industries in western Canada. We have a policy adopted like this one that will mean a lowering of our economic standard. Then we have an exodus of people and we lose some of our seats in the House of Commons. Everyone who sits in this house knows that if any part of Canada wants to get a square deal it has to have an effective voice in parliament. When you lose population you lose seats; and when you lose seats you lose influence with the government of the day. Then when we do have some natural resources like oil in Alberta the first thing the government arranges is to take it out of that area to other parts of Canada and the United States.

In conclusion, Mr. Speaker, I feel that the government should reconsider its wheat policy. If the present wheat policy is adopted, if nothing is done to arrest the losing of our agricultural markets, all the government will succeed in doing is to establish a depressed area on the prairies, the same kind of depressed area we had before the war. In my opinion, if that should result, it will certainly not be in the best interests of Canada, and the government should adopt a wheat policy so that such a condition will not obtain.

Mr. Victor Quelch (Acadia): Mr. Speaker, I am going to be quite brief in my remarks. There are a number of questions that I want to raise but I shall leave them until we get into the committee stage of the resolution.

We in this group support the resolution because we are of the opinion that it is in the interests of the people of Canada, and more especially in the interests of the grain growers of Canada, that the wheat board continue to operate as a hundred per cent marketing agency for all wheat grown in Canada. Moreover we believe that the permit book and quota system is the fairest way of handling deliveries of grain in western Canada. It always amuses me when I hear people commiserating with the farmers for being compelled to sell their wheat to the wheat board, instead of being allowed to choose what market they want, because I have always found that ninety-nine times out of a hundred these people are not farmers and are far more concerned about the welfare of the grain trade and the grain exchange than about the welfare of the farmers.

I always feel that if the day should come when we make the selling of wheat optional, and permit the decision whether it be sold to the wheat board or on the open market, we shall have signed the death warrant of the wheat board. Furthermore I am satisfied that an overwhelming majority of farmers in western Canada are solidly behind the wheat board today, and in my view the personnel of that board is to be highly commended for the efficient way it has handled the farmers' wheat in the past.

It is true that we hear many people criticize the wheat board on the ground that they lost money for the farmers by subsidizing the British consumer and the Canadian consumer during the time of the British wheat agreement. It is unquestionably true that the farmers did suffer heavy losses as a result of that action. But the mistake these people make is that they blame the wheat board for that situation, instead of the government. That action, of course, was forced upon the wheat board by the government. That is to say, the wheat board was forced to sell wheat to Great Britain below the current market price as a result of the government's having signed the British wheat agreement. They were forced to sell wheat to Canadian millers at less than current prices as a result of orders in council passed I believe under the War Measures Act.

We in this group take the very definite stand that the government should not use the

wheat board as an instrument of government policy to limit domestic prices or to subsidize foreign countries. If it is government policy to subsidize Canadian consumers or the consumers in foreign countries by giving them cheap wheat, then let them buy the wheat from the wheat board at current prices, sell it at whatever price they see fit, and then absorb the loss resulting from such action.

That has been the stand taken by farm organizations. For instance, let me quote from a resolution passed by the western agricultural conference held at Saskatoon, January 20 to 22, 1949. It states:

> That the Canadian wheat board should be an agency operating in the interests of grain producers, with a duty at all times to sell grain for the best available price whether in export or domestic markets, and should not be used as an instrument of government policy to limit domestic prices.

It is well to remember that parliament was asked to support the British wheat agreement in part at least as a moral obligation. I recall only too well the discussion which took place at that time, when it was pointed out that Great Britain had made great sacrifices and that therefore we should be willing to help her out by allowing her to have wheat at a reasonable price. The House of Commons was glad to support the British wheat agreement on that basis, but many of us in the opposition of that day pointed out that if it was a moral obligation on the part of the Canadian people to allow Britain to have wheat at reduced prices, then it was the moral responsibility of the Canadian people to stand whatever loss resulted from allowing Britain to have wheat at those reduced prices.

The same thing of course applies in connection with selling wheat to millers at less than the price of No. II wheat. Not only did we let millers have wheat below the price of No. II class wheat but actually we allowed them to have it for less than the price we charged under the British wheat agreement in 1946 and 1947.

Before the bill passes the minister should indicate the government's policy in regard to compensating farmers for these losses resulting from government action. I am not asking the minister to say what the amount of the final payment of the five-year pool will be, but merely to give the assurance that some at least of the losses will be made up in that payment.

I recall that during the last session of the last parliament, in the concluding days, the hon. member for Battle River (Mr. Fair) asked the Prime Minister (Mr. St. Laurent) what the government policy would be in regard to meeting these losses. *Hansard* for April 30, 1949, at page 2802 contains the following question by the hon. member:

> I should like to ask the Prime Minister a question. Is it the intention of the present government, if returned to office after the coming election, to reimburse the farmers of the prairie provinces for the losses which they have sustained under the wheat agreements?

The Prime Minister replied:

> I do not think it would be proper for any party to be making promises at this time as to what it will do. I am sure that whatever government is in office at that time will endeavour to reach a decision that will be fair both to the farmers and to the Canadian public generally.

Of course I know some people might say that does not mean very much. But after all when a statement of that kind is made by the Prime Minister I suggest it should mean a great deal. It should mean that the government intends to do the right thing or the fair thing by the farmers in meeting these losses. The wheat pools are suggesting that a 25-cent payment should be made. This of course would by no means cover the total losses, but on the other hand it would compensate for approximately half of the losses incurred during that time; and the balance of that loss could be made up by stabilizing the price of wheat in the future.

It is all very well for the minister to say that the farmers have had better returns in the past five years than in any former period. I would not dispute that for one moment. But at the same time farmers' costs have also been higher in those five years than during any other period; and today while the prices farmers are receiving for their produce are beginning to fall, their costs are still rising.

Let us not forget that in those years before the war farmers were taking very low prices for their produce and were told time and again that they could not expect to receive more than the world market price. So they hoped that when prices went up they would have a chance to recover some of their losses. Yet when the war came and prices went up to a high level the government set ceilings and farmers were not allowed to receive world market prices. It does seem only natural that if in peacetime farmers are told that they must be satisfied with world market prices, then in wartime when prices go up they should be allowed to receive the full benefit of those increased prices. But the ceiling was maintained in the name of stabilization and therefore the government have a definite obligation to stabilize prices in the future and thus fulfil their part of the bargain.

I find it hard to understand why the government considered it necessary to set the initial payment for the next crop year at $1.40 per bushel, 14 cents below the floor

price under the international wheat agreement. The Minister of Trade and Commerce (Mr. Howe) prides himself upon being an optimist and he always tells us on this side that we are pessimistic, but it seems to me that he is taking a pessimistic view of the operations of the international wheat agreement when he finds it necessary to set a price 14 cents below the floor in that agreement. It does not look as though he has much confidence in the international wheat agreement. Although that agreement provides for a fluctuation from $1.54 to $1.98 the minister is not satisfied to keep the Canadian initial payment within those limits; he has placed it 14 cents below the floor established by the international wheat agreement.

If the government feared that by setting the initial payment at $1.54 per bushel some losses might be incurred, they should remember that over the past eight years or so the prices of farm products have been kept down in the name of stabilization. If any losses were suffered as a result of setting a price of $1.54 that would only be helping to stabilize prices as they promised to do during the years when the ceiling was maintained.

We in this group supported the international wheat agreement. If the international wheat agreement fails, in my opinion it will not be because the idea of long-term international wheat agreements is not sound; it will be because of the system of financing international trade that exists. Under the agreement, if a nation is unable to purchase its quota it can be released from its obligation. It will be our responsibility to see that we purchase enough goods from a nation to enable it to buy wheat from us. The international commodity clearing house would have provided a means by which we could have disposed of our surpluses. The government stated at that time that they were in a position to look after their own surpluses so the problem is definitely on the doorstep of the government. I certainly hope that they will not fail in the handling of our wheat problem and I repeat that if the international wheat agreement fails it will be largely because of certain international financial and trade policies that are being followed.

Fear is being expressed regarding possible surpluses of wheat in the future, but if you go through history you will find that we have never really had too much wheat. Wheat has accumulated in some years, but over a period of time those surpluses have all disappeared. It is largely a question of providing sufficient storage to carry the surpluses over from one year to another. When you look at the situation in the world today, when you consider the position of China, India and other countries, you can feel assured that there will be adequate markets for all the wheat we can raise, provided we make satisfactory trading agreements whereby nations can obtain our wheat.

Mr. J. A. Ross (Souris): Mr. Speaker, I shall be brief, but first I want to endorse the remarks of the hon. member for Lake Centre (Mr. Diefenbaker) and to say that following the announcement made this afternoon by the Minister of Trade and Commerce (Mr. Howe) the wheat producers of western Canada will be very disappointed. We are now told that the loss under the United Kingdom-Canada wheat agreements will be approximately $600 million. It does not need much figuring to realize that that is approximately $1 per bushel loss on the wheat delivered to the United Kingdom under those contracts. As has been pointed out, this party stands alone in having to a great degree opposed that contract, but I want to make it quite clear that we never opposed a contribution being made to Great Britain. On every opportunity we pointed out that if such a contribution were to be made the cost should be borne by all the taxpayers of Canada.

Mr. Fair: The hon. member for Acadia (Mr. Quelch) was the first to suggest that, and I was the second.

Mr. Ross (Souris): I accept the statement of the hon. member; we are together on that and we are still of the same opinion.

The Acting Speaker (Mr. Beaudoin): I do not think it is in order to discuss the announcement made by the Minister of Trade and Commerce at three o'clock this afternoon.

Mr. Ross (Souris): I simply referred to that in passing and am not discussing it at all. I am discussing the resolution now before the house and pointing out the great loss our farmers will be taking. It works out to about $1 per bushel on the wheat delivered under the U.K.-Canada wheat contracts, or approximately 50 cents per bushel on all wheat delivered by the farm producers over those pool years. We contend that the treasury of this country should to a large degree make good those losses.

There was discussion this afternoon about the fact that the wheat board report for 1948-49 had not been referred to the standing committee on agriculture. *Hansard* speaks for itself and shows that I asked the Minister of Trade and Commerce on March 6 if he would do that. Hon. members heard the discussion that took place this afternoon.

Mr. Howe: Suppose you read from *Hansard* and we will see what the minister said on that occasion.

Mr. Ross (Souris): If my memory serves me aright the minister said that, if it was asked for, he would have no objection and the department would facilitate it. I think those were his words.

Mr. Howe: I did not mention objection; I said that if the committee on agriculture cared to consider the wheat board reports we would give that committee every facility to do so.

Mr. Ross (Souris): If we want to be exact about this I think we should point out how we would go about getting this matter before the standing committee on agriculture. The minister has handled most departments of government at one time or another and has succeeded in getting business done, at times quite rapidly. I do not know how the wheat board report could be referred to the standing committee on agriculture without terms of reference being set out by the Minister of Trade and Commerce. I may be entirely wrong, but if I am the officials of the house can correct me. I do not think I will be found to be very far out in making that statement. The minister is not fooling anybody by making that sort of statement. It is entirely up to him to decide on the terms of reference to the committee, and those have not been set out as yet. At this stage I want to repeat the request that the report be referred to the standing committee on agriculture as well as the bill that will follow this resolution.

If we go over the statements made by the Minister of Agriculture (Mr. Gardiner), who I am glad is in his seat, and other ministers, we will see that they have pointed out—I have not their statements before me but my memory is not that bad—that to bring in the reports from the pooling 1945 to date and then decide on future marketing policy would not cost this nation anything. At the end of that period we could decide what was best in the interests of the farmers. I know the ministers will feel downhearted after all that has happened and gone wrong. They took a long gamble. As a matter of fact I think they took a greater gamble in the marketing of our wheat than was ever taken by the Winnipeg grain exchange or anyone else, and things have not broken for them. Surely in the face of these statements they will be prepared to have the chief officials of the wheat board called before the committee on agriculture, where we will be entitled to question them with respect to the wheat board report for 1948-49 before dealing with the bill. Then the same committee will be able to go on and study the merits or demerits of the new legislation. Surely that is a logical request in view of the very great loss those farmers are going to suffer, unless the federal treasury is willing to reimburse them to the extent of about $600 million, which I doubt.

Mr. Gardiner: Just to get one thing clear, at one time the hon. member is speaking of the cost to the nation and at another time of the cost to the farmer. Which is it?

Mr. Ross (Souris): That is very simple; I am talking about the loss to the farmers. I thought I made the point rather clear that this is the loss the farmers ultimately would suffer unless it was made good at least to some extent by the federal treasury, and I said that to cover it completely in my opinion—and this is only an estimate, of course—would require $600 million. Is that clear?

Mr. Gardiner: No. My hon. friend said a moment ago that some time or other I had said something about the loss to the nation. The losses he has been talking about have been losses to the farmers, not to the nation.

Mr. Ross (Souris): The minister is agreeing with me that because the farmers might take the loss it would not cost the nation anything. Is that it?

Mr. Gardiner: No, I have not said that.

Mr. Ross (Souris): If we cannot agree I will look up the speeches of the minister and be prepared to quote them at another stage, so we may understand just where we are.

Mr. Gardiner: I have never undertaken at any time that anyone should take care of the losses of the speculators, which I suppose my hon. friend may consider part of the loss of the nation.

Mr. Ross (Souris): In this case the greatest speculators have been the Minister of Agriculture (Mr. Gardiner) and the Minister of Trade and Commerce (Mr. Howe). They made a terrific gamble when they entered into a contract with Great Britain to deliver six hundred million bushels of wheat over a four-year period, when that wheat had not even been seeded. If anyone ever made a greater gamble in the marketing of wheat I should like to hear about it.

This is the first year the government has had a monopoly of the handling of oats and barley through the Canadian wheat board. In spite of the fact, as has been pointed out by various ministers, that it is not customary to give the trading position throughout the year, I believe we should have that information before we pass the new bill. I am bound to agree with the hon. member who preceded

me that the majority of the people in the west want to deal through the wheat board, but they do not want a political board; they want producer representation. Many of those same people in my neighbourhood, and I think other hon. members will say the same thing, are very dubious about the marketing of their coarse grains this year. I do not sell coarse grains; I buy them from my neighbours and feed the grains on my farm, and I am not sure whether I have been doing that legally for the past year. My neighbours selling grain at the elevator have been paid for good oats only 52 cents a bushel. Mind you, that does not include the freight to Fort William, but their price at the local elevator is 52 cents. In the estimate given by the Minister of Trade and Commerce as to further payments at the end of the year—and I agree that it was only an estimate—he said they might get 10 cents a bushel. That would give them a total of 62 cents, if his estimate were right. I have before me a speech delivered by the hon. member for Russell (Mr. Gour) just outside Ottawa, pointing out that No. 3 C.W. oats were selling at $76 per ton at stations in that neighbourhood, less a subsidy of $6 per ton. A little arithmetic will tell you that this amounts to something like $1.45 a bushel in sacks less the subsidy. You cannot tell me there is that much difference in cost; so I say those farmers are very dubious. I am not making any charge as to where the great difference arises; I am citing this as a logical reason why we should be able to question the officials of the board on the handling of coarse grains before we pass a new bill after this experiment.

At this stage, as I say, I do not wish to take a great deal of time. I am one of those who cannot see why the floor price on wheat, or to be more factual the initial payment, should be only $1.40, when the international agreement provides that for this year the minimum price will be $1.54 and the maximum price $1.98. Surely if the government had faith in that deal they should be able to pay more than $1.40 as a minimum, and I believe that requires some explanation as well.

You know, Mr. Speaker, it is rather strange how things can change in a few months. I have before me a copy of the Winnipeg *Free Press* of June 15, 1949, where I see a heading, "Would hurt farmer. Howe scores mention of devaluing dollar." By the way, the minister was addressing a meeting at Portage la Prairie that day, and as quoted in this article he said:

> If the dollar were devalued, he said, it would assist certain branches of the gold mining industry "because the price of gold would be increased by the percentage that the dollar is devalued." But other sections of the Canadian public, he emphasized, would suffer.
>
> For example, if the dollar were devalued by ten per cent it would mean that the western farmer under the wheat agreement with the United Kingdom would get ten per cent less in net return for every bushel sold and conversely, the cost of living for consumers would go up by ten per cent as Canadians would be required to pay for imports from the United States with a depreciated dollar.
>
> "We have seen what happens in other countries when they try working with a depreciated dollar," he remarked, "and I believe no one is so foolish as to think that a step of this kind is required or wise under present conditions in Canada."

Oddly enough in the same edition of this newspaper there is a press report of a speech by the Prime Minister (Mr. St. Laurent) at Montreal on the same date, in which he said how silly devaluation would be. There is also a report in the same issue of an address by the Minister of Justice (Mr. Garson) at Minnedosa, in which he discussed the very same topic. That was on June 15. We all know what happened on September 19, when we had devaluation by this government. If the statement made on that occasion by the Minister of Trade and Commerce was true, by that step the government added to that extent to the difficulties we prophesied the farmers were headed for under that contract.

I hope this government will give very serious consideration to reimbursing these farmers at least to some extent. I know they will not expect 100 cents on the dollar for all they have contributed to the consumers of both Great Britain and Canada, but I can tell you that resolutions have been passed by farm organizations of the west asking for a settlement on the basis of at least $2 a bushel. If that were done I believe it would cost the federal treasury approximately half the amount of the loss I mentioned earlier. Again I want to appeal to the minister to see that the report of the wheat board is referred to the committee on agriculture, and that the bill which will follow this resolution is also referred to that committee for consideration. I think that is logical and good reasoning on behalf of the producers of western Canada.

Mr. P. E. Wright (Melfort): I should like to make a few remarks before the resolution is carried. I shall be brief, because I do not want to repeat the arguments that have been advanced by previous speakers. I do want to support the hon. member for Souris (Mr. Ross) and the other hon. members who have asked that this legislation be referred to the committee on agriculture together with the last three annual reports of the Canadian wheat board. I believe that should be done.

While indicating my support for this legislation, I do so with certain reservations. I am

convinced that this should not be temporary legislation that we must pass to cover one period after another.

Under this resolution we are extending the definition of the pool period to include each crop year subsequent to July 31, 1950, and extending the provisions of part IV, the regulations for interprovincial and export trade to August 1, 1953. In other words, this government is indicating to the farmers of western Canada that this is temporary legislation. We are just passing it for a period of time, and it is hoped to get rid of it. The wheat producers of western Canada believe in the wheat board. They believe in this wheat board act. They believe it is good legislation, and they would like to see it made permanent legislation by this parliament, not just temporary legislation. The farmers have had sufficient experience of temporary legislation.

During the war there was the War Measures Act, and later the Agricultural Products Marketing Act which was extended from year to year to enable our products to be marketed under the British contracts. Bacon and other products were marketed under that act, with what result? This year our markets and the act are going up in smoke, and we are not likely to have them another year. It appears to me as though, in extending this act from one period to another, we are following the same procedure, with the result that it will likely kill the wheat board instead of making it a permanent feature of marketing in this country. I want to protest that.

I always thought the Minister of Trade and Commerce (Mr. Howe) was an astute businessman, but when he brought in a floor price for wheat of $1.40 per bushel and then went over to Great Britain to renew a contract for selling our wheat, after having given notice to the world that we are reducing the floor price to the farmers by 35 cents a bushel, then I believe he was placing himself in a poor bargaining position. I believe it was a mistake to announce a floor price so low at a time when we were trying to sell wheat.

Mr. Howe: I have never announced a floor price for wheat. There is no such thing for wheat, so far as I know.

Mr. Wright: An initial price which is, in fact, the same thing.

Mr. Howe: An initial payment, it is not an initial price.

Mr. Wright: An initial payment, if the minister wishes to put it that way. I stand corrected. The minister announced an initial price—

[Mr. Wright.]

Mr. Howe: Not an initial price. I am sure my hon. friend wishes to make a correct statement. He did correct himself once, but it is an initial payment.

Mr. Wright: I stand corrected, but the initial payment was $1.75 before—

Mr. Howe: No, sir.

Mr. Wright: Yes.

Mr. Howe: The initial payment under the old pool was $1.35, and it was gradually increased during the pool by interim payments until we were paying at the rate of $1.75, but the initial payment in that pool was $1.35.

Mr. Wright: The initial payment in that pool was $1.75 a bushel, and make no mistake about that. The initial payment on last year's wheat crop was $1.75.

Mr. Howe: The initial payment on the five-year pool was $1.35.

Mr. Wright: I am speaking about the initial payment on the 1949 crop, and the minister has announced that the initial payment on the 1950 crop will be $1.40 per bushel. I do not stand corrected on that, because that is right. I believe the minister was placing himself in a poor bargaining position to sell our wheat, after having announced that our farmers were going to receive 35 cents a bushel less.

I happened to be listening to the radio tonight at 6.30, and I heard a British economist discussing this wheat agreement. I do not know whether or not he was correct, but if he was not correct I should like the minister to correct this statement. He said we were accepting sterling in payment for our wheat next year. For a long time we have been recommending that we should accept sterling or British goods in payment for some of our agricultural products. I should like the minister to comment on that announcement which I heard over the radio. I do say that this type of amendment, which extends the act for a limited period of time, is not the type of legislation the western farmer expects from this government.

Mr. M. J. Coldwell (Rosetown-Biggar): I shall say a word on this resolution because of the discussion we had on the wheat agreement when it was brought before this house. It would repay hon. gentlemen on all sides of the house, and particularly those who were not here at the time, if they were to read the debate on that occasion. If they did so, I am quite sure that they would find that the wheat agreement was supported in principle from all quarters of this house. It is true that there were some reservations

made regarding the possibility of increases in the cost of production, and perhaps increases in the supply of wheat over the period. None of us knew that the world price of wheat, or what was called the world price, which was really the United States price, would go to the heights to which it went. Indeed some expected a fall in grain prices.

I well remember speaking in that debate on behalf of the party with which I am associated. We suggested to the Minister of Agriculture at that time that if the costs of production rose, the same sort of thing should be done for wheat as it was proposed to do for other farm commodities. The minister stated that, just as we had set aside $200 million to assist the prices of other agricultural commodities, so a similar thing might be done for wheat. It was not done, of course. I do believe, however, that the method of marketing as outlined under the resolution is one that has almost unanimous support from the farmers in the prairie provinces. Consequently, we are supporting this particular piece of legislation.

I, too, heard the broadcast this evening to which my hon. friend refers, although we did not hear it together. At about 6.40, I think it was, a British economist was discussing the announcement made today in this house and in London, concerning the understanding between the government of Canada and that of Britain about the purchase of wheat for the ensuing year. I noted that he did mention the $1.40 initial payment this year as an indication that Canada and the United Kingdom expected the price of wheat would; in the near future, be lower than it had been for the past number of years. I believe there is good reason to suppose that there will be a larger supply of wheat available for consumption across the world in the next few years than we have seen for the past several years. Let me refer hon. gentlemen also to tonight's evening paper, the Ottawa *Citizen*. If one cares to look at the front page of the home edition, one finds a story from Europe to the effect that the Soviet union has approached the nations of western Europe about supplying them with a considerable amount of grain. When we know that lands are being brought under cultivation in Europe and North Africa in order to increase the supply of cereals, it is essential that our farmers shall be protected against low grain prices, not only during the coming year, but over a period of several years.

If the farmers were asked to accept a wheat agreement which, in its working out—again I remark that it was supported by all parties in this house, and what was going to happen was quite unpredictable—resulted in a loss to the farmer, then something should have been done about it. No one foresaw that during the period of the agreement wheat prices would rise to such great heights. Many of our farmers look at the Chicago price of wheat, and naturally believe they lost a considerable amount of money. We always thought that if that occurred during the period of the wheat agreement in the post-war years, when we were assisting the rehabilitation of the United Kingdom and other countries, in the further post-war period, if one can call it that, our farmers would be entitled to consideration for the sacrifices that they made during the earlier period of an agreement.

Mr. Ross (Souris): It was written into the agreement.

Mr. Coldwell: Yes, it was written into the agreement. That was pretty much the understanding in the house at the time. I quite agree with the hon. member for Souris (Mr. Ross) in that regard. Since most of the nations of the world seem committed to government purchase of these great basic commodities of food and so on, it seems to me that we should accept that situation and should try to make satisfactory agreements extending over a considerable period of time if we can do so.

I noticed that the minister in his speech, when he introduced this legislation on April 20 or thereabouts, made the statement —and I am speaking from memory—that some 85 per cent of the wheat sold in the world today was bought through government agencies. That fact indicates that we are in quite a different position from the position we were in before the war. When I look back to 1935, 1936 and the years right up to the war, I remember the amount of time spent in this house in discussing the marketing of wheat; and I remember how strenuously the idea of agreements of this description was opposed by members on the government side of the house, and how hon. members on that side of the house were certain that the only way to market was through the grain exchange or open market operation. The hours that we spent in this house in discussion of that method of marketing remain fairly clear in my memory. But in spite of all the criticism of the wheat agreement, none of us in 1946 foresaw what would be the price of wheat received by American farmers during the post-war period.

Let me add this. Had the whole of the Canadian crop been available for sale on an open market, perchance the price of American

wheat would not have reached the heights it attained. It is altogether possible that the large quantity of Canadian wheat thrown on the open market might have reduced the price of American wheat considerably. It is all very well for us to have hindsight, but I believe the principle of the agreement was sound. What I am saying tonight is this. I think the farmers in this further post-war period are entitled to protection. They should have an initial price sufficiently high to give them a reasonable and decent return, and by that I mean a reasonable and decent standard of living comparable at least to that of people of moderate means in the urban centres. I think that should be the fundamental principle upon which we should approach not the initial price but the long-term price of wheat. We must remember that in the minds of many of our farmers there was an understanding that if the costs of production rose during the period of this agreement, then some compensatory adjustment would be made; and that was not made. I have risen tonight to draw these few facts to the attention of the house, and I hope that the present method of marketing wheat through the wheat board on a stabilized basis, with a reasonable initial price, will be continued and will be the long-time policy of this government and of this parliament.

Mr. Gardiner: Before my hon. friend sits down, may I ask one question?

Mr. Coldwell: Yes.

Mr. Gardiner: I do not know whether he intended to say this or not, but just in the last few sentences he suggested that no compensation was given for the rise in costs.

Mr. Coldwell: Yes.

Mr. Gardiner: I think he will agree that the price to the British was $1.55 to begin with and that it rose to $2.

Mr. Coldwell: Yes.

Mr. Gardiner: There was that much compensation for any rise in costs.

Mr. Coldwell: I do not want to argue that point with the minister, but I was not looking at it quite from that point of view. What I meant was compensation when viewed in the light of the prices of wheat obtained by the United States farmer. That is what I was thinking of.

Mr. Ross (Souris): The world price was still a good deal over $2 then.

Mr. Coldwell: Yes.

Mr. Wright: Just on a matter of privilege, the minister corrected me a little while ago when I used the term "initial price." I find that I was in good company in using that term because on April 5 the minister, when announcing the initial payment for this very year, stated as follows, as reported at page 1562 of *Hansard*:

> The government proposes, therefore, to establish the initial price for wheat for the crop year 1950-51 at $1.40 per bushel, basis No. 1 northern wheat in store Fort William, Port Arthur or Vancouver. Initial prices for grades other than No. 1 northern will be fixed by the board with the approval of the governor in council.

Mr. Howe: No one makes more mistakes than the minister.

Mr. J. J. Smith (Moose Mountain): Mr. Speaker, I want to say a few words on this matter. I had intended to say more, but the hon. member for Rosetown-Biggar (Mr. Coldwell) has already said many of the things that I had intended to say. The question I wanted to put before the house is this, and possibly some of the spokesmen for the Winnipeg grain exchange could answer it. When the wheat board took over all wheat during the war—I think it was the year 1943—we could not have shipped wheat to Great Britain had we had no board. No one has answered this question, and I should like to have it answered: just what would we have got as wheat producers for our grain at that time, and what would our loss have been? It is all right to talk about what we have lost under the wheat board. But if we had not had the wheat board I should like to know what we would have lost. I do not think even this *Free Press* that the hon. member for Souris (Mr. Ross) reads, which I always figure is the spokesman for the Winnipeg grain exchange, has pretended to answer that question. Maybe the hon. member can do so.

Mr. Ross (Souris): I do not speak for the Winnipeg grain exchange.

Mr. Smith (Moose Mountain): I am glad to hear that.

Mr. Ross (Souris): If you had been here before, you would know that.

The Acting Speaker (Mr. Beaudoin): Order.

Mr. Smith (Moose Mountain): However, we are going to have either a wheat board or the open market. If we do not have the wheat board, we are going back to that speculation. And I think when we criticize this program that we have under the wheat board we should remember that we are going to have the wheat board or the alternative, and that is the exchange. My memory is not so short. We are told about what we would have got if we had not had the wheat board. But back in the years when we had the pool, the pools tried to hold the price for the farmer.

In 1930 what happened to our market? There was only one way to hold that market, as far as the pools were concerned, and that was to go into the Winnipeg grain exchange and buy options to hold the market. That is what the pools did. That is the only way they figured they had to hold the market. If that is the way we have got to hold the market, I think we had better watch our board; because under the board we get a stable price over the years. We have farmers who will argue that they would sooner have the Winnipeg grain exchange and that they would get a better price. It is easy for the farmer who was able to hold his wheat until March. Say he has harvested in the fall: if he can hold his wheat until March, he can get a better price than his neighbour who had to sell from the mill. But if he has to sell his wheat, as the average farmer does, in the dumping period in the fall, he will take the low price. I think the farmers, even members, should realize that as the thing is now we will all get the same price because you have your initial price, and whatever the wheat brings, we will get. If we went back to the exchange, I think that if the farmer was in a position to sell grain in the first week that we started to thresh—all farmers will realize this—he always got about ten cents a bushel more than the man got when the threshers started to run. I think that is correct. Then if he could quit selling his grain and hold it until March or later he got another ten or fifteen cents. That farmer might be in favour of the exchange; but the farmer who is starting up or who financially could not hold his grain, who had to sell his grain, got fifteen or twenty cents less, on an average of years, than the man who was able to hold his grain. In an average year he got about 15 cents or 20 cents less than the man who was able to hold his grain. The good thing about the board is that we are all treated alike.

With regard to oats, the hon. member for Souris (Mr. Ross) said that we got 52 cents a bushel. That is true. The minister said we would get another 10 cents. He did not say that that was all we would get. I think we can all pretty well calculate that, if the eastern farmer has to pay a dollar for oats, we shall get more than 62 cents because it takes only 10 cents to get the oats to Fort William and they are freighted free practically all the way from there down here. I think what is happening in oats is this. Some of the exchange people have got hold of them. There has been some speculation in oats. What has happened is that the speculators have got hold of oats and they are speculating between the western and eastern farmers.

Mr. Ross (Souris): Why don't you find out from the wheat board?

Mr. Smith (Moose Mountain): It may be that the wheat board sold to the fellows in the east and they sold to somebody else.

When we are talking about what we have lost we should remember that we are going to have either a board or an exchange, one or the other. If we are going to be too critical of the board then we will get the exchange. So far as losses are concerned we should ask ourselves this question. What would we have got for wheat if during the war years we had had no board?

Mr. Ross (Souris): Will the hon. member permit one question?

Mr. Smith (Moose Mountain): Yes, but I will not guarantee that I will be able to answer it.

Mr. Ross (Souris): Does the hon. member think that the wheat board should account to the producers for the handling of their grain?

Mr. Smith (Moose Mountain): Yes, I will agree with that. Furthermore I would like to know if it is our producers who are on this board, or if it is somebody who does not know what it costs to grow a bushel of wheat.

Mr. Ross (Souris): I agree with that.

Mr. Smith (Moose Mountain): I do not know who they are.

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker—

The Acting Speaker (Mr. Beaudoin): If the minister speaks now he will close the debate.

Mr. Howe: I should like to clear up only one or two brief points. First I should like to deal with the charge that the government is resisting an inquiry into the affairs of the wheat board. That is perfect nonsense. The wheat board is badly overworked. One man has to be stationed in Europe to attend to Canada's representation on the international wheat committee. The other two are handling not only wheat, as they have in the past, but coarse grains, which is a new departure, and they are exceedingly busy. However, I said last March and I repeat: I will be very glad to bring the wheat board here if the committee will indicate that they seriously wish to hear the board. I say that because I think the house has gone committee mad. So many committees are meeting now that we have almost no one in the house to meet as a committee of the whole.

The hon. member said that the committee on agriculture is meeting tomorrow.

Mr. Ross (Souris): No; we met today.

Mr. Howe: Why not meet tomorrow and seriously consider—

Mr. Gardiner: They cannot find rooms; there are too many committees.

Mr. Howe: —and seriously consider—

Mr. Ross (Souris): The chairman would have to call a meeting.

Mr. Howe: My hon. friend is a member of the committee. One member is in the same position as any other.

Mr. Ross (Souris): To call a meeting?

Mr. Howe: Yes.

Mr. Ross (Souris): Not to call a meeting.

Mr. Gardiner: There are so many committees meeting we cannot get space.

Mr. Howe: If the committee on agriculture will meet and advise me that they wish to hear the Canadian wheat board I will summon the board to Ottawa with their proper officers, and if the committee wishes to discuss any report that has been tabled in this house in the last fifty years the wheat board will be there with the information on it.

I do resent the implication, which I think was made quite clear in the remarks of the hon. member for Souris, that the wheat board is doing something which cannot be explained and the government is covering it up.

I just want to make it clear that the wheat board has absolutely nothing to hide. I think it is a disservice to the whole marketing procedure of wheat to send out the implication that there is something wrong about the action of the Canadian wheat board.

Mr. Ross (Souris): I never said there was something wrong. I said we wanted to study their report.

Mr. Howe: It will be made readily available if the committee wishes to give it the time; but they must not keep the board here for a month to do a week's work. I think that is only fair to the situation we are facing in the marketing of these grains at this particular period of the year.

Mr. Ross (Souris): May I ask the minister whether this bill will be referred to the committee as well?

Mr. Howe: That is a question that is worth discussing. There is nothing in this bill that is new. Most of it is extending the period during which certain parts of the act will be operative. We could send this bill to the committee and have public hearings, and have the grain exchange down here for four or five days, and have any other witnesses who want to come to complain about the terms of the bill, and keep it in committee until the end of the session. I do not believe that is necessary. I am quite prepared to send the bill to the committee, but I suggest that the nature of the amendments is such that they could very well be disposed of in committee of the whole. I hope that will carry the judgment of the house as far as the provisions of the bill are concerned.

Some comment has been made on the announcement made today. The idea has been advanced that this is a let-down, a complete let-down in what we could expect in the marketing of wheat. That is not my feeling; that is not the feeling of the wheat board. We are very glad to know that we have a sure sale for more than half of Canada's normal exportable surplus. We have a sale to a market that has been ours for a great many years.

Hon members may ask, what is remarkable about that? Why should not we have that? The situation is this. If the United Kingdom buy the North American supply of wheat from Canada they have to pay cold hard dollars for it. If they purchase the same supply from the United States they do it under Marshall aid, which is not a drain on the United Kingdom dollar situation. Does anyone say that the assurance that they are going to buy these supplies from Canada is not a very valuable concession? I may say that when I got that far in the discussion I was quite ready to come home. We can accept too that we have a sure market for that proportion of Canada's export wheat.

Some say that there is no agreement as to price. Well we have an agreement as to price. We have an international wheat agreement that was made by the government, assisted by a very strong committee of producers. We had representatives of the three pools, representatives of the United Grain Growers, representatives of the individual farmers. They were unanimous in recommending that agreement to the Canadian government, and the Canadian government was unanimous in believing that that agreement did give security to the farmers of Canada.

In my opinion one agreement at a time is about all we can handle. Last year we had two agreements. The reason was that the international wheat agreement overlapped the period of the bilateral United Kingdom-Canada wheat agreement. Next year wheat will be marketed under the international wheat agreement that provides for a maximum price of $1.98 a bushel and a minimum price of $1.54 a bushel. Under the international wheat agreement Canada will receive the North American price. I am

optimistic enough to believe that the price, under the conditions which I think may prevail in the next marketing year, will be at or near the maximum price. Someone who is pessimistic may take the opposite view and say that it will be at or near the minimum price. However, it will be within the terms of the international wheat agreement, and that under present circumstances is about all that I think we should attempt to do about price at this time.

Ordinarily it is considered gambling to make a short sale of wheat, and we will remember that we are talking about the sale of wheat that is not even planted yet. I think we are much safer in allowing the normal law of marketing to prevail now that we are getting away from the abnormal situation of the reconstruction period, and that is what we intend to do then within the limits of the wheat agreement.

Something has been said about an initial payment. As I said, we are getting back to more normal practice and, in setting the initial payment at $1.40, we are following normal and sound pooling practice. The practice for the prosperous years of the pool, or the successful years of the pool, was to set the initial price at 60 per cent of the price of cash wheat in the month of July. That practice was followed in 1923, when the first pool was organized in Alberta, and in 1924, 1925, 1926, 1927 and 1928.

It was not followed in setting the price in 1929. The price was set well above the 60 per cent of the cash wheat price of that day. What happened? Pools went bankrupt, and some of them have not yet finished paying off debts they incurred as a result of having set that initial payment too high. However, that debt was taken over by the provincial governments, and the pools were allowed to pay off the debt over a period.

What happened in 1930? Again, the 1930 initial price was set well above the 60 per cent of the cash wheat price for July of that year. The initial payment was set at $1, and within a month or two it was reduced to 90 cents. The federal government of that day took over at that time, and Mr. McFarland handled the liquidation of that pool for the account of the federal government, with results that farmers in the western provinces are not too anxious to remember.

Mr. Coldwell: May I ask the minister a question? Does he consider the present situation is analogous?

Mr. Howe: Yes.

Mr. Coldwell: Is there not in the world agreement a maximum and minimum price?

Mr. Howe: Yes, but what is the world agreement? The world agreement is that within a certain twelve months—it is not for the sale of a particular crop, but rather within a twelve-month period—we will have a certain minimum price. That price is $1.40 United States funds. So long as the Canadian dollar is devalued, in terms of the U.S. dollar that is $1.54 for that particular year. But all the wheat is not sold in the year in which it is grown. The price drops 10 cents, and it is $1.30 United States the next year, which is $1.43—provided the dollar is still devalued. Will my hon. friend guarantee what the value of the Canadian dollar will be two years hence?

Mr. Coldwell: The minister could guarantee it better than I could.

Mr. Howe: I am not prepared to guarantee, except to see the pooling operation stands on its own feet. That is what we are trying to get back to. And that is why the people in pooling, who have had connections with pooling in Canada, will not challenge the wisdom of the government in following the practice of going back to an initial payment of 60 per cent of the cash wheat price in the month of July just preceding. Those are the points I wish to cover.

I could cover other points, but I think I have touched on the important ones. I was glad that I did not have to bring forward a new contract at this stage. The attitude of this House of Commons seems to be to approve a contract when it is entered into, but immediately to start criticizing it as soon as it comes into operation. The unfortunate thing about making a contract is that you have to decide whether it is good or bad when you sign on the dotted line. People who wish to reverse their principles when they see how a contract works out are not very popular in business circles.

I hear people get up and say they were very critical of the contract in 1945. I sat through the debate, and I did not find anyone rising and taking a decided stand against it. There were several opportunities to vote against it but only one man, the then member for Parkdale, did so.

Mr. Ross (Souris): 1946?

Mr. Howe: Yes, 1946.

Mr. Ross (Souris): I would ask the minister to produce *Hansard* to show where I voted in 1946 in connection with that contract.

Mr. Howe: Whether it was 1945 or 1946, I looked up every vote, and my hon. friend from Souris voted yea on every occasion. The only nay vote was that registered by the

hon. member for Parkdale, who made himself so popular with his colleagues that he resigned his seat in the House of Commons two or three months later.

Mr. Ross (Souris): That is hardly true, either.

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

Mr. White (Middlesex East): Are we going to accept sterling in payment for wheat?

Mr. Howe: All wheat has been and will be paid for in Canadian dollars.

Mr. Coldwell: From what I heard over the radio tonight, the wheat would be paid for in sterling which would be used to buy British goods which, in reality, would be paid for with the wheat we are selling to Great Britain. As a matter of fact, in a sense that is pretty much what is done. We get British goods. Our wheat is priced here in dollars, and their goods on the other side of the Atlantic are priced in pounds. After all, we are using terms that are a bit confusing, because we speak of our receipts in dollars while they speak of their exports in pounds.

Mr. Howe: We pay for anything we buy from Britain with dollars and they pay us for anything they buy from us in dollars. This is a dollar country.

Mr. Coldwell: The British company does not receive dollars.

Mr. Howe: No, the dollars are held in Canada. He is paid in pounds by his own government.

Mr. Quelch: At what price will wheat be sold to Canadian millers during 1950-51? Will it be the same price as in the international wheat agreement?

Mr. Howe: I think that has not been considered, but I would expect that to be so.

Mr. Ross (Souris): In view of the statement made by the minister that there was a vote on that United Kingdom-Canadian wheat agreement, a statement which has been made several times in other debates, I must point out that the minister has never produced *Hansard* to show that vote. I will help him to clear it up. That agreement was announced by the previous minister of trade and commerce on July 26, 1946, I believe it was, and there was no opportunity even to debate it until the minister's estimates were brought down later. The vote to which he refers, I suggest, was in connection with amending the Canadian Wheat Board Act in 1947.

Mr. Howe: To make the agreement possible.

Mr. Ross (Souris): True, to fulfil the contract, a year later. But there never yet has been a vote on the agreement as such.

Resolution reported, read the second time and concurred in.

Mr. Howe thereupon moved for leave to introduce Bill No. 252, to amend the Canadian Wheat Board Act, 1935.

Motion agreed to and bill read the first time.

CANADA GRAIN ACT

ELEVATORS DECLARED TO BE FOR GENERAL ADVANTAGE OF CANADA—VARIOUS AMENDMENTS

Right Hon. C. D. Howe (Minister of Trade and Commerce) moved the second reading of Bill No. 249, to amend the Canada Grain Act.

Mr. H. O. White (Middlesex East): Mr. Speaker, I am not quite prepared to accept the second reading of the bill at this moment, and I should like to move the adjournment of the debate.

Motion agreed to and debate adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull) moved the adjournment of the house.

He said: Tomorrow we will take up Bill No. 249, to amend the Canada Grain Act; Bill No. 250, to bring the Criminal Code and the Canada Evidence Act into force in Newfoundland; Bill No. 180, to amend the War Veterans Allowance Act; and, if there is time left, Bill No. 89, to provide for the publication of statutory regulations.

Motion agreed to and the house adjourned at 10.55 p.m. until 4.30 p.m., May 31, 1950.

HOUSE OF COMMONS

Wednesday, May 31, 1950

The house met at 4.30 o'clock.

HON. LIAQUAT ALI KHAN

ADDRESS TO MEMBERS OF THE SENATE AND OF THE HOUSE OF COMMONS TO BE PRINTED IN HOUSE OF COMMONS DEBATES

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I move, seconded by the leader of the opposition (Mr. Drew):

That the address of the Honourable Liaquat Ali Khan, Prime Minister of Pakistan, delivered before the members of the Senate and of the House of Commons of Canada in the chamber of the House of Commons on May 31, 1950, together with introductory and related speeches, be included in the *House of Commons Debates* and form part of the permanent records of this parliament.

Motion agreed to.

(*For text of address of Prime Minister of Pakistan, with speeches of welcome and thanks, see Appendix, pages* 3041-45.)

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the house that I have received the following communication:

Ottawa, May 31, 1950

Sir:

I have the honour to inform you that the Right Honourable Thibaudeau Rinfret, Chief Justice of Canada, acting as Deputy of His Excellency the Governor General, will proceed to the Senate chamber on Thursday, the 1st June, at 5.45 p.m., for the purpose of giving the royal assent to certain bills.

I have the honour to be,
sir,
Your obedient servant,
J. F. Delaute
Assistant Secretary to the Governor General

DOMINION ELECTIONS ACT

CHANGE IN PERSONNEL OF SPECIAL COMMITTEE

Mr. W. G. Weir (Portage-Neepawa) moved:

That the name of Mr. Harris (Grey-Bruce) be substituted for that of Mr. Power, and that the name of Mr. MacDougall be substituted for that of Mr. Douglas, on the special committee on the Dominion Elections Act.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

POLYMER PLANT, SARNIA—SALARIES

Mr. Hodgson:

How many officials or employees of the Polymer plant at Sarnia, Ontario, receive $6,000 or more per year, and what are their names and official positions?

Mr. McIlraith: It will be noted that this question really consists of two parts. The first part asks how many officials or employees of the Polymer plant at Sarnia, Ontario, receive $6,000 or more per year, and the second part asks for the names and official positions. The answer to the first part is eighteen. In connection with the second part, may I say that it has never been the practice to disclose names and positions. The reason is one that I think will be appreciated by all hon. members. This plant is a highly competitive manufacturing plant, and to give details of the names and official positions of these employees would be unfair. I am sure it is something that hon. members would not wish to have done. If there is any other information I can give that the hon. member would like to have, I shall be glad to give it.

POTATOES—IMPORTS FROM UNITED STATES

Mr. Hatfield:

What quantity of American potatoes was imported into Canada during the year 1949, and also during January, February, March and April of 1950?

Mr. McIlraith:

	Potatoes, seed Cwt.	Potatoes, other than seed Cwt.
Calendar year 1949.....	1,956	324,906
Month of January, 1950.	..	10,806
Month of February, 1950	..	35,809
Month of March, 1950..	1,850	53,720
Month of April, 1950...	not yet available	

CANADIAN SUBSIDIARIES OF UNITED STATES AND ENGLISH FIRMS

Mr. Catherwood:

1. How many American firms were operating subsidiaries in Canada in 1948 and 1949?
2. How many English firms were operating subsidiaries in Canada in 1948 and 1949?

Questions

Mr. McIlraith: The following figures cover firms with investment of $10,000 and over, which are controlled by companies outside of Canada:

1. 1948—2,172 firms (preliminary); 1949—2,227 firms (estimate).

2. 1948—475 firms (preliminary); 1949—485 firms (estimate).

PURCHASE OF GOVERNMENT LAND AT KIRKFIELD PARK, MAN.

Mr. Bryce:

1. On what date did Mr. Robert McInnes make an offer to purchase government land at Kirkfield Park, Manitoba?

2. Was his offer accepted by the department? If so, on what date?

Mr. McIlraith:

1. November 3, 1949.

2. Yes. November 7, 1949.

CATTLE—COMPENSATION FOR T.B. REACTORS

Mr. Coyle:

1. What number of cattle were condemned to the tank in the recent tubercular tests in each of the counties of Elgin and Oxford, for the years 1947, 1948, 1949 and to date, 1950?

2. How many dollars have been paid to Elgin county farmers for condemned cattle since January 1, 1950?

3. How many dollars have been paid to Oxford county farmers for condemned cattle since January 1, 1950?

Mr. McCubbin:

1.

Elgin county	1947-48	1948-49	1949-50	1950-51 to May 8
Cattle tested	Nil	21	32,116	2,071
Reactors found	Nil	2	3,812	62
Percentage	Nil	9·5%	12·0%	2·1%
Carcasses condemned	Nil	2	436	8
Condemnation compensation paid	Nil	$330.46	$59,629.83	$1,140.94

Oxford county	1947-48	1948-49	1949-50	1950-51 to May 8
Cattle tested	15,807	35,277	23,763	1,413
Reactors found	2,855	7,677	5,662	58
Percentage	18·0%	21·8%	23·8%	4·1%
Carcasses condemned	300	999	750	10
Condemnation compensation paid	$32,012.25	$156,625.33	$106,431.64	$900.59

2. Elgin county, $15,987.93 (136 condemned).

3. Oxford county, $3,553.48 (31 condemned).

PURCHASES OF CANADIAN LUMBER BY UNITED STATES

Mr. Diefenbaker:

1. Has the Canadian Commercial Corporation within the last month been negotiating or making purchases of lumber from the various mills on behalf of the government of the United States?

2. If so, what has been the total amount of lumber purchased to date?

Mr. McIlraith:

1. The Canadian Commercial Corporation has received from the United States government several invitations to obtain quotations for various species of lumber. These inquiries were referred to the Department of Trade and Commerce, which endeavoured to obtain quotations. One quotation only was received, covering an alternative to the supplies required, and was not acceptable to the United States authorities.

2. Nil.

[Mr. Catherwood.]

SOLDIER SETTLEMENT—LEGAL SERVICES

Mr. White (Hastings-Peterborough):

With reference to page 322 of the estimates for 1950-51, Soldier Settlement and Veterans Land Act, item "Legal fees $100,000":

1. What are the names and addresses of the firms or individuals who received payment under this item?

2. What amount did each firm or individual receive?

3. What was the nature of the work or services rendered by each firm or individual?

PENSION COMMISSION—LEGAL SERVICES

Mr. White (Hastings-Peterborough):

With reference to page 319 of the estimates for 1950-51, Canadian pension commission administration, item "Professional and special services, $100,000":

1. What are the names and addresses of the persons who received payment under this item?

2. What amount was paid each individual?

3. What was the nature of the service rendered by each individual?

Mr. Gregg: Mr. Speaker, it will be noted that with reference to these two questions the estimates for 1950-51 are mentioned. As these estimates have not been passed, of course the money has not been spent. I wonder whether the hon. member would care to

reframe his questions, or perhaps take them up when my estimates are before the committee of supply.

Mr. Speaker: Is that agreeable?

Mr. White (Hastings-Peterborough): I was speaking to the parliamentary assistant to the minister (Mr. Mutch), and I will reword the questions.

Mr. Speaker: Dropped.

UNEMPLOYMENT—WOMEN—DOMESTIC SERVANTS

Mr. Winkler:

1. By years from 1939 to 1949, how many females in Canada were without work and seeking employment?

2. From 1947 to 1950, how many females among displaced persons were employed as domestic servants?

3. By census years or other available figures since, and including 1931, what was the relation of female domestic servants to the total population of Canada?

Mr. Cote (Verdun-La Salle):

1. From 1939-1942 no data are available on the number of women unemployed and seeking work in Canada.

From 1943-1945, when most women seeking employment were required to register at national selective service offices, the following numbers were reported as seeking work:

June 1, 1943	29,000
June 1, 1944	24,000
June 1, 1945	24,000

From 1946-1949 the number of women without jobs and seeking employment, as estimated on the basis of a sample labour force survey, was as follows:

June 1, 1946	18,000
June 1, 1947	16,000
June 1, 1948	18,000
June 1, 1949	16,000

2. Statistics are not available to provide a direct answer to this question. The following table, however, shows the number of female displaced persons entering Canada for domestic service employment under the group movement plan of the federal government:

1947	700
1948	6,500
1949	2,500
1950 (to April 30)	300

3. Number of women employed in domestic service†:

June 1, 1931	146,000
June 1, 1941	178,000
June 1, 1946	67,000
June 1, 1947	53,000
June 1, 1948	74,000
June 1, 1949††	75,000

Total population of Canada:

June 1, 1931	10,363,200
June 1, 1941	11,489,700
June 1, 1946	12,283,000
June 1, 1947	12,558,000
June 1, 1948	12,859,000
June 1, 1949††	13,177,000

Per cent of population employed in domestic service:

June 1, 1931	1·4
June 1, 1941	1·5
June 1, 1946	0·5
June 1, 1947	0·4
June 1, 1948	0·6
June 1, 1949††	0·6

† Figures for 1931 and 1941 show the number of women who were gainfully occupied in domestic service, according to the decennial census at that date. In the census a person is classified according to his usual or customary activity during the past year. Figures for 1946 to 1949 are based on a sample labour force survey which classifies persons according to the specific work in which they are engaged during the survey week.

†† Excluding Newfoundland.

TRENTON, ONT., AIRPORT—CONTRACT FOR SUPPLIES

Mr. White (Hastings-Peterborough):

1. What firms or individuals received contracts for supplying gas, oil, grease, coal, fuel oil, bread, meat and milk for the R.C.A.F. airport at Trenton, Ontario, in each of the years 1948, 1949 and 1950?

2. Were tenders called for these contracts?

3. What are the names and addresses of the firms or individuals who submitted tenders?

4. What was the contract price for each of the commodities mentioned in paragraph one above?

Mr. McIlraith: Mr. Speaker, I have consulted officials of the Canadian Commercial Corporation with regard to the information asked for in this question. To get the information requested would take approximately three months, and the cost would be very heavy. I wonder if the hon. member would consent to drop the question. If I can find out just what point he is seeking to get at, we can perhaps frame a question that will elicit the information without involving such a heavy expenditure of time and money.

Mr. White (Hastings-Peterborough): I will not agree to dropping the question. I rather doubt that it would take three months, but I will speak to the parliamentary assistant. I ask that the question stand.

Mr. Speaker: Stand.

INCURABLES

Mr. Fair:

1. What number of incurables reside in each province?

2. How many of those are dependent upon their families for support?

Mr. Martin: No statistics are available. In view of that I am sure the hon. member will agree to drop the question.

Mr. Speaker: Dropped.

BURLINGTON, ONT., PUBLIC BUILDING—ALTERATIONS OR EXTENSIONS

Mr. Lennard:

1. Has a contract been let for alterations or extensions to the federal building at Burlington, Ontario?
2. If so, who got the contract, and at what price?
3. If not, what is the reason for the delay?

Mr. Fournier (Hull): Public tenders for the construction of an addition and alterations to the public building at Burlington, Ontario, are now being invited, and will be received until Thursday June 8, 1950.

QUESTIONS PASSED AS ORDERS FOR RETURNS

NAVAL SERVICE—FUEL SUPPLY

Mr. Pearkes:

1. What firms successfully tendered, during the years 1948 and 1949, for the supply of coal and/or oil for ships and shore establishments of the Royal Canadian Navy?
2. What was the quantity of coal or fuel supplied, and the amount of each contract?

Mr. McIlraith: Return tabled.

PUBLIC WORKS PROJECTS—RESOURCES AND DEVELOPMENT

Mr. Knowles:

1. Were two recommendations concerning public works projects received and considered by the Department of Resources and Development?
2. If so, from what precise committee was each of these recommendations received?
3. What was the result of the consideration given to each of these recommendations?

MOTIONS FOR PAPERS

RED RIVER VALLEY—RECOMMENDATIONS BY INTERNATIONAL JOINT COMMISSION

Mr. Diefenbaker:

For a copy of all correspondence since the 15th day of January, 1948, and to date, between the international joint commission and the government of Canada relative to suggestions and recommendations as to means or methods or public works to be undertaken to prevent a repetition of the flood on the Red river of 1948.

Mr. Pearson: I understand that the papers covered by this motion were in fact tabled on May 25 by my colleague the Minister of National Defence (Mr. Claxton).

Mr. Diefenbaker: As I remember it, the only reference then made was that there had been no report. This motion involves an order for all correspondence in reference to the matter, including reports.

[Mr. Fair.]

Mr. Pearson: I am informed that the correspondence in question was in fact tabled, as noted in *Votes and Proceedings* of Thursday, May 25. Possibly I could have a word about it with my hon. friend, to see if in fact the tabling I have mentioned covers what he has in mind.

Mr. Speaker: Stand.

PRAIRIE FARM REHABILITATION—EMPLOYEES—WAGES, ETC.

Mr. Thatcher:

For a return showing the names and addresses of all persons employed under the Prairie Farm Rehabilitation Act in the fiscal year ending March 31, 1949, together with wages, allowances, and travelling expenses received by each employee during that year.

Mr. Gardiner: Mr. Speaker, the last time this motion was up I asked to have it stand because the hon. member was not here. I have found since that the same information was asked for by the hon. member for Assiniboia (Mr. Argue) on December 3 last and was brought down on March 14. It would cost about $500 to repeat the information, and all the hon. member needs to do is to look at the other record. I am sure the hon. member for Moose Jaw (Mr. Thatcher), of all members of the house, would not wish that I increase the costs of information in my department.

Mr. Coldwell: I think all members sometimes make an error by oversight. I will draw this to the attention of the hon. member.

Mr. Speaker: Dropped.

FLOOD CONDITIONS

SOUTHERN MANITOBA—RESTORATION OF HOUSES RENTED BY VETERANS

On the orders of the day:

Mr. Fernand Viau (St. Boniface): I should like to direct a question to the Minister of Resources and Development. Have any arrangements been completed to repair and clean as early as possible all houses owned and operated by the Central Mortgage and Housing Corporation, situated in the flooded area east of the Seine river, all rented by veterans, and within the limits of the city of St. Boniface?

Hon. Robert H. Winters (Minister of Resources and Development): All such houses owned and operated by the Central Mortgage and Housing Corporation will be restored to good condition at the earliest possible day.

Inquiries of the Ministry

FISHERIES

NEWFOUNDLAND SALT CODFISH—DISPOSITION OF 1949 STOCKS—PRICE SUPPORT

On the orders of the day:

Mr. G. F. Higgins (St. John's East): I should like to direct a question to the parliamentary assistant to the Minister of Fisheries arising out of a press release of last Friday relative to Newfoundland fisheries. Has any decision been arrived at regarding the disposition of the surplus of the 1949 catch of Newfoundland salt codfish? Has any decision been made with respect to price support for the 1950 catch?

Mr. J. W. MacNaught (Parliamentary Assistant to the Minister of Fisheries): The question of the hon. member for St. John's East is divided into two parts. The first part is whether any decision has been arrived at regarding the disposition of the surplus of the 1949 catch of Newfoundland salt codfish. I should like to inform the house that the disposition of the unsold stocks of salted codfish produced in 1949, and currently held in parts of the maritimes and Newfoundland, was discussed last week in Ottawa with representatives of the salt codfish industry from the maritime provinces, Newfoundland, and Quebec. No decision on disposition could be made with the insufficiency of available data. To provide this information the Department of Fisheries has this week dispatched investigators to Newfoundland to elicit information on the stocks held, the costs, and returns made on the various varieties of 1949 salted fish. Such information is necessary before the department can consider any recommendation to the government.

The second part of the question is whether any decision has been made with respect to price support for the 1950 catch. On May 9 the hon. member for St. John's East put substantially the same question to me, and the answer then given still represents the action the prices support board will be prepared to take if conditions should so require.

Mr. Higgins: I should like to ask the parliamentary assistant a supplementary question. Can he tell me the amount of the 1949 catch of codfish still held?

Mr. MacNaught: I cannot give the amount with any degree of accuracy. There seems to be some confusion in the minds of those connected with the fishing industry in Newfoundland as to the total amount still held. Some of the fish are held by fishermen, some by merchants, and there is some for which contracts are held; so the whole picture is quite confused.

Mr. Higgins: But it is a considerable amount?

Mr. MacNaught: It is a considerable amount.

CZECHOSLOVAKIA

PARTICIPATION IN INTERNATIONAL TRADE FAIR—DISTRIBUTION OF ILLUSTRATED CIRCULARS

On the orders of the day:

Mr. George A. Drew (Leader of the Opposition): I should like to direct a question to the Minister of Trade and Commerce, of which I have not had an opportunity to give him notice. There has just come to my attention an extremely well-illustrated circular issued by the republic of Czechoslovakia which is being distributed at the Canadian international trade fair, from space towards the cost of which the people of Canada make a substantial contribution. In view of the fact that the publication contains a good deal of propaganda for a communist state, will the Minister of Trade and Commerce indicate whether we have any similarly advantageous arrangement in Prague or any other city in Czechoslovakia?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I believe this is the third year that the republic of Czechoslovakia has been an exhibitor at the Canadian international trade fair. It is unusual for exhibitors to put out advertising matter. I have not seen the particular advertising matter to which reference has been made, but I shall have it examined. If there is anything seditious in it, we shall certainly stop distribution of it. So far as exhibiting in Prague is concerned, I may say that we have been invited to exhibit at that trade fair for the past three years, but to date we have not accepted the invitation.

Mr. Drew: I am not suggesting there is anything actually seditious. I am merely pointing out that it is extremely clever and well-illustrated propaganda for what is taking place in Czechoslovakia today.

Mr. Howe: I may say that trade matters do not ordinarily concern themselves with political matters, but since this has been drawn to my attention I shall see if there is anything on the political side to which objection could be taken.

Mr. Cruickshank: I should like to ask one question in connection with this picture. I have not seen it, so I hope the leader of the opposition will send me a copy; but is there a picture of the member for Coast-Capilano in that issue?

CANADA GRAIN ACT

ELEVATORS DECLARED TO BE FOR GENERAL ADVANTAGE OF CANADA—VARIOUS AMENDMENTS

The house resumed, from Tuesday, May 30, consideration of the motion of Mr. Howe for the second reading of Bill No. 249, to amend the Canada Grain Act.

Canada Grain Act

Mr. H. O. White (Middlesex East): Mr. Speaker, when the house adjourned last evening I mentioned the fact that there were a few matters related to Bill No. 249 which I desired to bring to the attention of the minister. While the matters I may touch upon do not deal particularly with the amendments now before us, I believe this is the only opportunity I shall have to bring them to the attention of the minister. These are some of the things in which the growers of cash grains in southwestern Ontario are interested. In schedule D of Bill No. 249 I notice there is a reference to white pea beans. The beans in which the southwestern Ontario growers are interested are soybeans and not those beans mentioned in this schedule.

On April 15 last a meeting of the soybean growers was called in Chatham. All hon. members in southwestern Ontario were invited to the meeting, and certain proposals were placed before us. Most of those hon. members are as interested in this matter as I am. The fact is that the soybean growers find themselves with only one or two buyers in Canada. The net result is that in most cases there is only one buyer, and one can realize the position in which the growers are placed in that case. Not only the soybean producers, but the producers of corn, fall wheat and other grains are interested in having the Canada Grain Act extended to the area of southwestern Ontario that is now engaged in the growing of cash grains. In pursuing the matter after the meeting of April 15 I addressed a letter to the Minister of Trade and Commerce (Mr. Howe), asking him the proper procedure for those growers in having the Canada Grain Act amended so that it would embrace southwestern Ontario. I shall read a paragraph from the minister's reply:

> Consideration will have to be given not only to the individual amendments that would be required to the Canada Grain Act but also to the extent to which the principle of this legislation, framed originally to apply to grain that is, in the main, marketed interprovincially and internationally, could be made to cover the marketing of crops that are sold wholly or chiefly within the province where they are produced.

That directs our attention to some of the difficulties with which these growers are faced. I wish to point out, and I believe it is significant, that the soybean growers of southwestern Ontario are not asking for subsidies nor for floor prices. In a country in which nearly every commodity group is asking for subsidies or floor prices, one must pay a little attention to a group of producers who say they want neither floor prices nor subsidies.

A large increase in soybean acreage is expected in the United States. Since we are an importing nation so far as soybeans and soybean oil are concerned, an extremely heavy production of soybeans in the United States might result in a serious price drop, or the government might support the price in the United States and dump the surplus products on the Canadian market. The Canadian growers fear that possibility. I point that out so that you can see the position in which these farmers find themselves.

In order to give the house some idea of the enormous increase in the production of soybeans in southwestern Ontario, I might say that in 1945 the production totalled 842,000 bushels. This figure has gradually increased during the years, until in 1949 there were 2,600,000 bushels produced. When it is realized that this production means keeping Canadian dollars at home instead of sending them abroad to buy American soybeans and American oil, it can be seen it is an important factor.

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

Mr. White (Middlesex East): Yes.

Mr. Cruickshank: What is soybean used for normally?

Mr. White (Middlesex East): I understand that some of it goes into margarine.

Mr. Cruickshank: I hope that they all fail.

Mr. White (Middlesex East): I think that is outside the question at the moment. It was your government that put the Canadian farmer in this fix, and I am suggesting a means of helping him.

Mr. Cruickshank: Our government did not get them into it.

Mr. White (Middlesex East): It certainly did. It was not the province of Ontario that got them into it, anyway. I should like to refer to the importation of oil from the United States. According to *Foreign Trade*, published by the Department of Trade and Commerce, in the month of January, 1950, there was $2,111,000 worth of foreign oil imported into Canada. If we can encourage these growers in southwestern Ontario to continue growing soybeans, possibly we can reduce that expenditure of Canadian dollars on foreign oil. I just mention this in passing because, as I said in the beginning, I realize that this possibly is not the place that this can all be done. But I am going to use here the resolution passed by the Ontario soybean growers; and by the way, their association is set up under the Ontario products marketing act. I will read you the entire resolution and the facts that they have put before us leading up to this resolution.

During the past few months the directors of the Soybeans Grower's Marketing Board, who are elected representatives of the Soybean growers of Essex, Kent, Pelee Island, Lambton, Huron, Elgin and Middlesex counties, have given considerable study to the sale and handling of soybeans and other cash crops in western Ontario.

Increased production and higher prices received for soybeans, corn, wheat and pea beans has greatly increased the value of these crops to farmers. There are at present no regulations governing the handling, sale, storage and transportation of these products by country elevators, track loaders, and truckers, in western Ontario. Nor is financial responsibility required of them. A producer sells his grain or beans on a grade and moisture basis, but must accept the grade and moisture given him by the purchaser. He has no recourse to an injustice except through courts of law.

In seeking the means to give more protection to the producer a study has been made of the licensing and bonding of country elevators in western Canada under the Canada Grain Act.

The directors are impressed with the protection given the western producer under the act by regulations governing the sale, and transportation of grain in western Canada, and by the efficient administration of the act by the board of grain commissioners for Canada.

The following resolution was passed at a meeting of the board of directors of the Ontario Soybeans Growers' Marketing Board held in Chatham, Ontario, April 15, 1950.

"That the board of directors of the Ontario Soybeans Growers' Marketing Board is of the unanimous opinion that the sale, storage and transportation of grain grown in western Ontario for which grades are established in schedule 2 of the Canada Grain Act, could be better regulated by the licensing and bonding of country elevators and dealers in Ontario, buying grain under the Canada Grain Act, than is now the case.

That the board of grain commissioners for Canada be requested to consider revision of the act, necessary to its application to western Ontario, for the purpose of giving protection to producers by:

1. Insurance of the proper conduct of the business in accordance with provisions of the act and regulations and to guarantee the farmers from loss through mismanagement or dishonesty of the operator.

2. Provision for sale by the farmer of his grain for cash on a grade agreed upon with the operator, or to have the right to demand that sale be made subject to inspector's grade and dockage.

3. The inspection of scales, equipment, records and returns of licensees.

4. Requiring a licensee to keep a complete record of his transactions and make reports to the board as required.

5. Approving the form of tickets and receipts that shall be issued to the producer on the sale or storage of his grain."

This brief respectfully submitted to the board of grain commissioners for their consideration and direction. The directors are of the opinion that it is of vital importance that the producer be protected in the sale and handling of his grain.

This is signed by the president and the secretary of the association.

Mr. Cruickshank: What did they say about the dairy farmer?

Mr. White (Middlesex East): We are not discussing the dairy farmer at the moment.

Mr. Cruickshank: We are discussing marketing.

Mr. Speaker: Order.

Mr. White (Middlesex East): I discussed this matter with some of the officials, and it just so happened that the flood at Winnipeg was at its height and it was difficult to make contact with Mr. Mackenzie at the time. Then the minister and Mr. Mackenzie went to Britain, and so we have not been able to get as far advanced with this as I had hoped at this particular time. It is because of that situation that I took these few minutes to explain to the minister and to the house what the aims and hopes of the growers in southwestern Ontario are.

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

Section 1 agreed to.

On section 2—*Publication.*

Mr. Wright: This is the clause under which the board makes regulations with respect to the tariffs that may be charged in country elevators or in terminal elevators. I wanted to bring one matter to the minister's attention with regard to the tariffs which are in force at the present time. That is the matter of the diversion charges on grain going to the port of Churchill. These diversion charges are, I believe, from one and a half cents to two cents a bushel; and they are charged by elevator companies who have control of the grain of any shipper when that shipper wishes to have that grain diverted to other than the terminal elevator either owned or controlled by the company shipping the grain. In that case a diversion charge is made.

At the port of Churchill there is only one elevator. That is a government-controlled or government-owned elevator, or an elevator operated by the government. Therefore that grain going to the port of Churchill must pay this diversion charge. On the other hand, grain shipped to Port Arthur-Fort William or to Vancouver seldom carries a diversion charge, the result being that most of the elevator companies either own or have leased elevators at Port Arthur and Fort William; so normally the grain handled by those companies goes direct to their own controlled elevators and there is no diversion charge. This results in a discrimination against grain going to the port of Churchill and results in an additional charge of one and a half cents on all grain being shipped to that port.

I should like to ask the minister if he would bring this matter to the attention of the board of grain commissioners. I feel that if

the wheat board were to bring this matter to the attention of the board of grain commissioners, and were to make representation that this diversion charge in the case of Churchill be dropped, that matter could be accomplished. I just wanted to bring this matter to the minister's attention, and ask him to bring it to the attention of the wheat board and have them make application to the board of grain commissioners respecting it.

Mr. Howe: Section 2 provides that instead of the regulations being published at the end of the crop year, the consolidation be published at the beginning of the crop year. I think my hon. friend would be favourable to that procedure. I understand the problem to which my hon. friend has referred in the debate on his own amendment and again today. I did not realize that it infringes upon the duties of the board of grain commissioners, but I rather think it does; and I shall be pleased to call his remarks to the attention of the board.

Mr. Cruickshank: As Vancouver has been mentioned, I should like to make one remark. Although I do not happen to represent that particular city, I am from British Columbia. I should like to point out to the committee that the port of Vancouver, unlike Churchill, is open three hundred and sixty-five and a half days of the year, not just about thirty days.

Section agreed to.

Sections 3 to 5 inclusive agreed to.

On section 6—*Grain to be received as offered without discrimination.*

Mr. Charlton: By section 6, subsection one of section 133 of the old act is to be repealed and the following substituted therefor:

> Subject to this section, the operator of every licensed public or semi-public terminal elevator and, unless otherwise provided by the terms of his licence, the operator of every eastern elevator, shall, without discrimination and in the order in which the same arrives at such elevator and is offered, receive into such elevator all grain of any grade for which there is available storage of the kind required by the person by whom such grain is offered.

Does that include all grain elevators? Section 10 reads:

> All elevators in Canada heretofore or hereafter constructed are hereby declared to be works for the general advantage of Canada.

Does section 6 include all elevators? If it does, I think it is going a little too far.

Mr. Howe: According to the definitions of the act:

> "Elevator" means any premises into which western grain may be received, or out of which it may be discharged, directly from or into railway cars or vessels, and, notwithstanding anything contained in any other general or special act, includes any such premises owned or operated by His Majesty, either directly or through any individual, public body or company.

Therefore, if it is an elevator to receive and discharge western grain it comes under the act. If it is holding only local grain it does not come under the act.

Mr. Charlton: It does not include an ordinary feed elevator in eastern Canada—

Mr. Howe: No.

Mr. Charlton: —buying western feed grain?

Mr. Howe: No, it would not; it speaks of shipping western grain. It would not include a feed elevator that ships western feed.

Mr. Charlton: This section does not mention anything about reshipment at all, as I see it.

Mr. Howe: The elevator definition is as I just read it. An eastern feed mill is not a work for the benefit of Canada and does not come under the grain act.

Mr. Charlton: I do not think that is a satisfactory answer because there is nothing in the bill which says it is confined to grain in transit, western grain or eastern grain. The words "eastern elevator" are used in section 6. If this is discrimination against an eastern elevator that is buying feed grain and has to accept grade 3 grain in lieu of grade 2, which it ordered, I do not think it is right.

Mr. Howe: Which would my hon. friend consider discrimination—to have it declared a work for the benefit of Canada and subject to the jurisdiction of the board of grain commissioners, or otherwise?

Mr. Charlton: I am not saying anything about that.

Mr. Howe: My hon. friend spoke of discrimination.

Mr. Charlton: As I see it the discrimination is right in this section of the bill.

Mr. Howe: Does the hon. member want the feed mill to be a public elevator or not?

Mr. Charlton: It is right in the bill. He must accept the grain regardless of whether it was what he ordered or not. That is the discrimination I am speaking of.

Mr. Howe: No. A feed mill in eastern Canada is a private institution. The owner of the mill does not have to accept any grain unless he wishes to. He does not handle the public's grain. I do not know of any feed mill in eastern Canada that handles public grain.

Section agreed to.

Sections 7 to 9 inclusive agreed to.

On section 10—*Elevators declared to be for general advantage of Canada.*

Mr. Charlton: Section 10 reads:

All elevators in Canada heretofore or hereafter constructed are hereby declared to be works for the general advantage of Canada.

I would like the minister to explain that.

Mr. Howe: It turns on the definitions of the act, and I have read them two or three times. It refers to elevators handling western public grain. If it is a feed mill, all grain is bought by the owner of the feed mill before it goes into the elevator. Therefore, if it is a private feed mill it does not come under the act. If it does not handle the public's grain it does not come under the act. In some instances, feed mills in western Canada do both kinds of business, handle public grain and also act as a part of a feed mill. In that instance they are works for the benefit of Canada; but there is nothing parallel to that situation in eastern Canada that I know of.

Section agreed to.

Sections 11 to 13 inclusive agreed to.

Schedules A, B and C agreed to.

On schedule D.

Mr. Charlton: Apropos of what the hon. member for Middlesex East has asked, does schedule D include soybeans?

Mr. Howe: It includes white beans, so-called. Soybeans are graded by the province of Ontario, assisted by the Department of Agriculture of the federal government. It is questionable whether the board of grain commissioners would have the constitutional authority to grade grains which are grown and consumed in the one province. The board of grain commissioners handles grain that moves in interprovincial traffic or for export.

Mr. Cruickshank: Mr. Chairman, when I hear the word "soybean" I become very interested. I should like a little further explanation from the minister because I am doubtful and sceptical about soybeans grown in any quantity in Canada, since they are detrimental to the dairy farmers of Canada. What are these soybeans to be used for? How are they to be protected? Are they to be protected to the detriment of the dairy producers of Canada?

Mr. Howe: The present act does not cover soybeans, Mr. Chairman. In other words the question is irrelevant to the act.

I should say to the hon. member for Middlesex East that his problem has been put before the board of grain commissioners. I received a letter from the board today which I shall be glad to pass on to him. The problem cannot be dealt with in this amendment to the grain act, for various reasons; but I shall be glad to give him such information as I have, and perhaps it can be held over for another revision of the act.

Mr. Cruickshank: I should like this schedule to stand until an explanation is given.

Schedule agreed to.

Title agreed to.

Bill reported, read the third time and passed.

CRIMINAL CODE AND CANADA EVIDENCE ACT

BRINGING INTO FORCE IN NEWFOUNDLAND—CERTAIN NEWFOUNDLAND LAWS REPEALED

Hon. Stuart S. Garson (Minister of Justice) moved the second reading of Bill No. 250, to bring the Criminal Code and the Canada Evidence Act into force in Newfoundland.

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

Sections 1 to 6 inclusive agreed to.

Schedule agreed to.

Title agreed to.

Bill reported, read the third time and passed.

WAR VETERANS ALLOWANCE ACT

PROVISION FOR BENEFITS FOR CERTAIN FORMER MEMBERS OF FORCES OTHER THAN CANADIANS

The house resumed, from Monday, May 29, consideration in committee of Bill No. 180, to amend the War Veterans Allowance Act, 1946—Mr. Gregg—Mr. Dion in the chair.

On section 6—*Part V.*

Mr. Green: This is the section which adds a new part to the War Veterans Allowance Act and provides for the setting up of district authorities who, as I understand the bill, are to have practically all the jurisdiction hitherto exercised by the war veterans allowance board. Is it the intention to set up an authority in each district composed of certain men who will act continuously, or will there be different officials in the district doing the work at different times? Will the boards be different from time to time? This is not made clear in the new section 31.

Mr. Gregg: Mr. Chairman, it is the intention to set up these district authorities in

each district. It is also the intention that the members of each district authority shall be officials then in those district offices. For instance, it might well be that the chairman of the committee would be the senior administrator, or the second in command in the district. Depending upon each district, of course, one of the members may be a representative of the Veterans Land Act administration, if such representation would be useful and would be the means of co-ordinating and unifying all the information. As will have been guessed at once, the official who has been chiefly responsible up to now for obtaining information on applications, and investigating them, will play an important part and more than likely would be the secretary of the district authority. I hope that answers the hon. member's question.

Mr. Green: Not quite. Will the authority set up act continuously? For instance, will A, B and C be appointed the authority in the Vancouver district and deal with all applications, or will three officials be picked out from the department to work on war veterans allowances for one month, and a different group be picked for the next month? The act is so worded that either procedure could be followed. This brings up the question as to whether it would not be wise to have one group dealing with all the applications, so that a procedure may be established in the district, rather than to have different sets of officials acting at different times.

Mr. Gregg: I am glad the hon. member has raised the point, because that is exactly our intention, namely that there shall be continuity, and that the persons constituting this district authority shall be in a general sense permanent. Of course there would have to be changes from time to time, as there are in other posts; but it is our intention that to all intents and purposes those constituting the district authority shall be permanent.

Mr. Green: Under this part the new authorities are given very wide powers in dealing with applications. Indeed, I believe their powers are just as wide as those possessed by the war veterans allowance board. In the event of the granting of an application by the district authorities, is the veteran to be faced with an appeal by the department to the war veterans allowance board in Ottawa, or will such award be left untouched?

There is provision in the new part for appeal by veterans if they are dissatisfied with awards by district authorities. However, the sections are not clear as to what is to be done in the event of a successful application by a veteran. Is it to be the practice that a favourable award by a district authority will be final, or is there to be an appeal by the department to the war veterans allowance board here in Ottawa?

Mr. Gregg: No award is final in the absolute sense, as my hon. friend knows. I believe I would be answering his question if I were to say that it is the intention that an award made by a district authority shall stand, subject to review later either by the district authority or by any member of the board. But it is not the intention that members of the board, as they visit districts, shall immediately review the awards made by a district authority to ascertain whether or not they were correctly made.

Mr. Green: This is an important matter, because the new district authorities are given the power to review their own decisions. In effect they may keep on dealing with an application. That of course is the jurisdiction of the present war veterans allowance board as set out in the old act. It does seem to me that, in view of these facts, if a district authority makes a favourable award the war veterans allowance board at Ottawa should keep out of the picture and not interfere with such favourable award.

My understanding of the minister's explanation made earlier in the discussion on the bill was that the war veterans allowance board is to be turned into an appeal board, and that its chief job will be to deal with appeals by veterans from unfavourable decisions made in the districts. If that is so there cannot be such objection to the change; but if on the other hand the members of the war veterans allowance board are now to go around from district to district reviewing decisions made in the districts, then I believe there will be a great deal of difficulty.

Mr. Gregg: I believe I can answer the question by repeating what I said two or three weeks ago. As the hon. member has pointed out, I did indicate that members of the board will now be able to spend more time in the districts than they have in the past. They will be able to have appearing before them those applicants who have felt that they have been treated unfairly. I stated also that it will be the duty of members of the board to make absolutely certain that fairness and uniformity are maintained right across the country. It would be difficult to set out exactly how they would do that. I think they will have to look over what has been done and discuss the whole situation with the district authorities. I can assure my hon. friend that they are not going to sit down and say, "You have made mistakes on this and we are going to cancel it out and make new decisions right away." There will be

continual consultation with the district authorities in an effort to maintain fairness and uniformity.

Mr. Green: The war veterans allowance board has always sat in Ottawa but apparently it is now to start travelling. I am not so sure that that is a good idea unless the board is to be restricted to hearing appeals by veterans from decisions of the district authorities. If this board is to go around from district to district reviewing cases, it is going to make a lot of trouble. If the minister intends the district authorities to do a job they must be given the responsibility. The burden of making these decisions must be left with them and not be subject to review by a board travelling out of Ottawa.

It should be definitely understood whether this war veterans allowance board is to be just an appeal board or whether it is to be a board of review. There is a great deal of difference in the two types of board. Personally I do not think it should be a review board going around to the different districts and interfering with them. My own opinion would be that it should be an appeal board, not a review board.

The war veterans allowance board here in Ottawa will not be in touch with the veterans in the same way as the district authorities will be, and the district authorities should have the right to decide whether a veteran should or should not get an allowance. If they decide that he should not get an allowance then it is quite proper that he have an appeal to the war veterans allowance board, but that board should be restricted to hearing such appeals.

Mr. Cruickshank: Mr. Chairman, I shall be brief because I understand some other legislation is coming up before six o'clock. I agree with the hon. member for Vancouver-Quadra except as far as repetition is concerned. My first complaint about the war veterans allowance is that it is not a proper allowance. It does not equal the old age pension. Supplementary payments totalling $500,000 were put through last year. As I said before, you would need to be a Philadelphia lawyer or come from Ontario to be able to understand the form that must be filled out.

I agree entirely with the hon. member for Vancouver-Quadra that this whole procedure should be simplified. If the local authorities think a veteran is entitled to an allowance it should be given to him without all this red tape he must put up with now. I want to tell the minister that there are veterans of the first great war who are unable to have the necessities of life because of the mass of red tape in his department. I know he does not want that and I do not believe the officials want it, so, for goodness sake, let us wake up to the realities of life and wipe out these things. It should be easy to do.

I believe that this government and this parliament want to do everything possible for the war veterans. I do not like the term "war veterans allowance" because I believe these men have a right to be treated in a proper manner. They served their country so that you and I might sit here in freedom and be well paid and well fed.

An hon. Member: And well watered.

Mr. Cruickshank: Some members from certain provinces are not as wise as they might be when you consider whence they come, but I think we can understand it.

An hon. Member: Coming from British Columbia.

Mr. Cruickshank: If one of my hon. friends wants to make a speech I shall be glad to sit down and let him do so. I want him to get up on his hind legs and make a speech on behalf of the veterans of Canada, not just to voters who are building the car that I am going to pick up in Oshawa next Monday. As I say, I do not think this allowance is adequate and I agree with the hon. member for Vancouver-Quadra that the provisions should be simplified. The red tape should be eliminated so that the veteran in British Columbia or in Newfoundland can obtain this allowance without having to go before some red cap in Ottawa.

I have had some experience with these matters on behalf of veterans in my riding. Even though I may not agree with all the provisions of the act I do suggest seriously that they be made more accessible to the veteran without the present unnecessary red tape.

Mr. Brooks: How many districts have asked for this change? My experience in my own district is that they are quite satisfied with war veterans allowances being handled from Ottawa. I think they would be quite satisfied if no change were made. I do not see how a board travelling around is going to simplify matters. I think the chairman of the war veterans allowance board has been doing an excellent job.

We have found in my province that in matters like old age pensions—this is really a form of old age pension for the soldier—when they are turned over to be administered by the province they become looked upon as being more or less political patronage. That should be avoided. The further it is away

from Ottawa and the more the provinces have to do with it, the more political patronage enters into it.

Not so long ago I brought up before the board in Ottawa certain cases which were turned down. I felt they had been turned down for good reasons, but around election time, if I may mention such times, some of my political opponents thought that these men should make further application for war veterans allowances. They were told that if they made application it was quite likely they would get it. They were turned down for the same reason as they had been turned down before, for which I commend the board.

I repeat that once this matter is decentralized, once the administration is placed in the hands of the provinces or districts, the more political patronage there will be. I fear that that is what is happening at the present time with a lot of our social security measures. Unless strong representations are received from the different districts throughout Canada I think this matter should be left with the board in Ottawa. I do not think a travelling board will improve the situation at all.

Mr. Gregg: Mr. Chairman, I will not extend the discussion because I know that all who have taken part are anxious that the department should be given an opportunity to work this out carefully. I should like to thank the hon. member for Royal for his kind words about the chairman and the members of the board, with which I heartily agree. I think his remarks illustrate the point I was trying to make to the hon. member for Vancouver-Quadra, namely, the importance of the board, which has held and will continue to hold the responsibility for this matter, having a chance to review the work that is being carried on within the districts, and to give guidance and direction. I am sure that, during the coming year there will be an opportunity to work it out to the satisfaction of all districts concerned.

Mr. White (Hastings-Peterborough): Did I understand the minister to mean, in reply to the objection raised by the hon. member for Vancouver-Quadra, that all applications that go through the district authority will be reviewed by the board?

Mr. Gregg: No.

Mr. White (Hastings-Peterborough): Which ones will be reviewed, those that are appealed?

Mr. Gregg: Let me put it this way, and I am not attempting to tie the hands of those who will administer this legislation but rather to answer the question of my hon. friend. My opinion would be that in the ordinary case it would be those that the district authority wanted to discuss with the board, or a representative of the board, on their next visit.

Mr. White (Hastings-Peterborough): Where an application is turned down by the district authority will it automatically be reviewed by the board without request?

Mr. Gregg: If the applicant desires it, it will be reviewed by a member of the board.

Mr. Fulton: I cannot quite appreciate the effect of the change that will be made when this goes through compared with the situation now existing. I understand that at the present time when applications are made by veterans living outside centres where the district offices are located the procedure is that an investigator is sent by the office to the outlying point to make an investigation and, as I understand it, his recommendation. Then the recommendation is simply approved or disallowed by the board in Ottawa. What will be the new procedure when the minister has gone through all this routine of setting up boards in the district offices?

Mr. Gregg: I think I can answer more clearly by stating that it is an attempt to simplify and speed up applications. From now on it is the intention that decisions shall be made at the district office instead of down the street from here in Ottawa. Most of these decisions will be made by the district authority. The applications that are so approved by the district authority will be put into payment immediately, I hope, with less delay than in the past.

Mr. Fulton: The recommendations for payment will still have to come to Ottawa?

Mr. Gregg: No, they will be paid from the district office.

Mr. Fulton: There is authority now in the district office to issue cheques?

Mr. Gregg: Yes.

Mr. Herridge: Before the section carries I should like to express my approval of it. I think it is an excellent section. I think when it is put into effect we in the province of British Columbia will benefit from it because there has been a certain loss of time owing to the present centralization. That is not the fault of the board. With other members of the house I want to commend the work the board has done. I think the procedure of a travelling board will result in much more benefit to those seeking war veterans allowance. In that way the board will obtain knowledge of the situation across the country and get closer to the veteran and the local situation. It will also standardize procedure, and I can see the advantage of that. I suggest that we would be well advised to watch the

administration of this section for a year and see how it functions. Personally I think it will be of great benefit to veterans in every section of Canada.

Mr. Brooks: I do not think the minister answered my question. I asked how many districts have asked for this change. Frankly I do not think there has been a general request across Canada. I understand it has been mostly from the province of British Columbia.

Mr. Gregg: There has been no formal request for it from the districts. As in a number of other cases in our legislation, it has been the result of our own departmental experience and the feeling that this would improve the situation. There has been no formal request.

Section agreed to.

Sections 7 and 8 agreed to.

Title agreed to.

Bill reported, read the third time and passed.

THE REGULATIONS ACT

PROVISION FOR UNIFORM SYSTEM OF PUBLISHING REGULATIONS AND LAYING THEM BEFORE PARLIAMENT

Right Hon. L. S. St. Laurent (Prime Minister) moved the second reading of Bill No. 89, to provide for the publication of statutory regulations.

Mr. Green: Will the Prime Minister explain the bill?

Mr. St. Laurent: I have a statement to make which I can make now or in committee stage if it is more convenient. If any hon. member prefers that it be made now I am quite prepared to do so.

Mr. Green: We would like to have it now.

Mr. St. Laurent: The main purpose of the bill is to ensure that all orders, regulations and proclamations, made or issued in the exercise of legislative powers delegated by parliament, are published and tabled in a systematic and uniform manner. There is no provision here for enlarging the powers to make orders or regulations. It is merely to deal with the exercise of powers already existing under prior legislation. It is to provide that there be one uniform system of tabling and publishing these orders. Such publication and tabling is to be compulsory. The provisions embodied in this measure are the result of comparative studies of procedures followed in other countries, notably in the United Kingdom, and of experience gained in the application of the provisions of the statutory orders and regulations order made during the war.

Regulations Act

Perhaps it might be useful to review briefly the practice presently followed in the publication of statutory orders and regulations. As hon. members know, since the first of January, 1947, all proclamations, orders, rules and regulations of a legislative character or of an administrative character having general effect or imposing a penalty, whether these instruments are made by the governor in council, a minister, a board or other agent empowered by act of parliament, are published fortnightly in part II of the *Canada Gazette*, known as "statutory orders and regulations". This procedure was established by order in council P.C. 4876 on the 26th of November, 1946, under authority conferred by section 30 of the Public Printing and Stationery Act. This order in council also authorized the compilation and publication of a consolidation of all orders, rules, regulations and proclamations of a legislative character which were in effect on a given date.

A consolidation of such statutory orders and regulations in effect on December 31, 1949, has been prepared and is in the hands of the king's printer. I had hoped it would be available for distribution even before we reached this bill. I believe that early next week we shall have one or two volumes of the compilation. We wanted to get together, in convenient form, so that people could have ready access to them, everything that is now in force. Then we would have a systematized regular form for publishing anything new, so that it would be easier for all those who ought to be informed to know that, if it is not in such and such a place, it does not exist, and there is no need for taking into account anything that is not in this consolidation or that has not been published in the form called for by this bill.

The order in council to which I have just referred is known as "The statutory orders and regulations order, 1947". It was an attempt to find a practical and workable solution to the increasingly difficult problem of delegated legislation. This problem is not by any means restricted to Canada. The same difficulties have had to be met in all democratic countries. Particularly in the years during and since the war, the ramifications of public business have multiplied to such an extent that the representatives of the people have found it a practical necessity to delegate an increasing amount of subsidiary powers to the executive, or to boards or other agencies. Canada is no exception, and our parliament has delegated more and more regulatory powers to the governor in council, ministers, boards and other crown agencies.

For many years now, the government has been concerned with the problem of keeping parliament, and the public, fully informed

with respect to this increasing volume of so-called delegated legislation. It is for this reason that during the war orders in council were passed directing that all orders, regulations, and proclamations of a legislative character, or even of an administrative character that provided for penalties, should be published. It was also for this reason that the statutory orders and regulations order, 1947, was passed. This procedure was adopted because we thought we would take some time to find out, by practical experience, how it worked before we brought something to parliament in the form of a statute. Three years have now elapsed since the passing of that order. Considerable experience has been gained during that time, and has resulted in amendments that, from time to time, have been made to the original 1947 order. We feel that the time has now come when we can bring to parliament something that should be practical and workable, and which may not have to be varied too frequently or too soon. This does provide unequivocally for the compulsory publication and tabling of all instruments made under the delegated legislative powers; that is the sole purpose of this measure. Although largely based on the statutory orders and regulations order, 1947, this bill will further clarify and extend the procedure, in order to ensure that it covers the whole field of delegated legislation.

The statutory orders and regulations order was passed only after a comparative study had been made of the procedure followed in other countries, notably in the United Kingdom. At that time, careful consideration was also given to the United Kingdom parliamentary committee on delegated legislation. Following a suggestion made in this house on September 22, 1949, by the hon. member for Lake Centre (Mr. Diefenbaker), I undertook to give renewed consideration to the operation of the United Kingdom committee and, in the light of its operation and of such other considerations as might seem relevant, to indicate at an early stage in this session whether we would be prepared to support the establishment of a similar committee. We do not believe we should recommend at this time that sort of committee because most of the statutory regulations have to be made by the governor in council, and that gives considerable time for checking, whilst in the United Kingdom most of these things are done by boards or other agencies of the crown. No one who is responsible to parliament or to the public hears of these regulations until they have become law. This United Kingdom committee has strictly limited terms of reference that probably would not fit our situation. They have to report on whether or not the order infringes seven stated principles. If it does not, the committee has nothing to do with it. If it does, they call attention to that fact. We do not believe that would be a remedy that would fit our situation.

It was not possible to make a definition of regulations that would exclude the sort of thing one does not want to have in this. For instance, it might be that an order given to an aeroplane from a control tower would be a regulation. That would be one thing for one occasion. This bill provides that the general rule will be that everything has to be published, but that the governor in council may except certain classes. In order to do so, however, that class or those classes would have to be published and tabled, so that members of parliament will see what is to be excepted. Then they can make such comment as they think justified upon the exception that will be made.

We think that we have here made a serious attempt to be as helpful as possible. All those who want to know their way about in this quite large number of things that operate by virtue of acts of parliament, having that consolidation—I think there will be four or five volumes of it—will find we are trying to have a proper table made, because it will be just as convenient to us as it will be to other members of parliament. After that, we shall have this compulsory practice of having to table and publish in a systematized way, and register in the privy council office, the things that are in force. By consulting that register, even the things that will have ceased to be in force will be found, including the date when they came into force and when they ceased to be in force. The register will be easily accessible, so that all those concerned will be able to get, as expeditiously as possible, the information they require to govern their own conduct or, with respect to lawyers, to advise their clients.

Mr. Fulton: It being six o'clock, I move the adjournment of the debate.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow we shall go into supply and take up the estimates of the following departments: National Resources and Development, Veterans Affairs, Citizenship and Immigration.

Mr. Green: In that order?

Mr. Fournier (Hull): In that order.

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

APPENDIX

ADDRESS

of

HONOURABLE LIAQUAT ALI KHAN

Prime Minister of Pakistan

to

MEMBERS OF THE SENATE AND OF THE HOUSE OF COMMONS AND THE GENERAL PUBLIC

in the

HOUSE OF COMMONS CHAMBER, OTTAWA

on

WEDNESDAY, MAY 31, 1950

The Prime Minister of Pakistan was welcomed by the Right Honourable L. S. St. Laurent, Prime Minister of Canada, and thanked by the Honourable Elie Beauregard, Speaker of the Senate, and the Honourable W. Ross Macdonald, Speaker of the House of Commons.

Right Hon. L. S. St. Laurent (Prime Minister of Canada): Mr. Prime Minister, members of the houses of parliament: In welcoming you today, sir, we wish to pay a tribute to your great country, which in so short a time has attained a place of prominence in the world community; to the rank it holds in the concert of nations as an active member of the United Nations and a sister nation of the commonwealth, and, last but not least, to the record of your personal achievement as Prime Minister of Pakistan.

We in turn are honoured by your presence in this House of Commons. These words of greetings are naturally addressed to you on behalf of the whole population of Canada; I find it particularly fitting, however, that this welcome be extended to you in our own House of Commons, the centre of the political life of Canada and the very heart of our democratic institutions. It is fitting indeed that greetings from one democracy to another originate in the House of Commons chamber.

The accomplishments of your country since it began its separate political existence on August 14, 1947, evoke sincere admiration. Your countrymen had a long tradition of history in the Asian subcontinent. Still it is only less than three years ago—and what are three years in the life of a nation?—that the dominion of Pakistan came into being. The astonishing progress made during such a short time augurs well for the future, and you may rest assured, sir, that we in this country will watch your future achievements with the same friendly interest we have had in what has already been accomplished in so short a time.

The future of Pakistan, notwithstanding differences in religion and language, in customs and habits, notwithstanding lands and oceans which separate it from Canada, is closely related to our own through our common association in the United Nations, our partnership in the commonwealth, and, most of all, in our common belief in those values which form the very basis of democratic life. We hope therefore that our association will become closer and closer as we get to know each other better. The exchange of high commissioners between our two countries is but a first step in this direction.

At present Canadians are wont to associate particularly the names of two men with Pakistan: that of Mr. Mohammed Ali Jinnah, who is regarded as the father of his country and whose name has been immortalized by a grateful people's use of the title "the Great Leader", and your own, Mr. Prime Minister. Mr. Jinnah, in creating a new nation, relied heavily upon you, Mr. Liaquat Ali Khan, whom he described as his "right-hand man".

As his death occurred so soon after the establishment of the independence of Pakistan, there fell upon your shoulders, sir, the tremendous task of giving substance to the blueprint of building the machinery of government in order that your nation might effectively express the will of the Pakistan people to contribute, through democratic processes, to the welfare of mankind.

(Translation):

Mr. Prime Minister, your stay in Canada, short though it may be, will allow you, I hope, to realize the interest we take in your country and your people. As our contacts become closer and more frequent, we shall better understand our mutual problems and be in a position to find a more satisfactory solution.

I wish to assure you that you may count on the understanding and good will of the Canadian people as Canada expects the same from your fellow citizens.

(Text):

In greeting you on this occasion, may I be permitted, Mr. Prime Minister, to state how happy we are that you are accompanied by your charming wife. Her gentleness and gracious manner almost belie the dominating force which the Begum Liaquat Ali Khan is known to exercise in organizing the women of Pakistan to meet the challenge of providing social security under most difficult circumstances.

On behalf of the parliament and people of Canada I ask that the Honourable Liaquat Ali Khan convey to the people of Pakistan, on his return, our best wishes for their well-being and happiness, together with the assurances of deep friendship.

Members of the houses of parliament, I present to you the Prime Minister of Pakistan.

Hon. Liaquat Ali Khan (Prime Minister of Pakistan): Mr. Speaker of the Senate, Mr. Speaker of the House of Commons, honourable members of the Canadian parliament: In permitting me to address you here today within these walls, you have conferred upon me a great honour and privilege which I value very highly and for which in the name of my country and my nation I thank you.

As the recipient of this signal token of your esteem my thoughts at this moment turn to the struggle which made it possible for our people to emerge as a free democratic nation to take their rightful place amongst the free nations of the world. For in honouring me today you honour them, their freedom, and the memory of that courageous man who guided their footsteps towards the goal of liberty. You will pardon me, therefore, if on this memorable occasion I am reminded of the father of our nation and the founder of our freedom, our Great Leader, our Quaid-e-Azam, Mohammed Ali Jinnah of revered memory, without whose vision, determination and burning honesty Pakistan might have remained a vague longing and a distant dream, and the reality, of which my humble presence in your august company today is but a symbol, might never have been born. A sincere patriot, a passionate follower of the democratic idea, and a man who saw farther and more clearly than his fellows, he led the Muslims of British India out of their perplexities and frustrations into the open air of freedom, and gave shape, significance and direction to their quest for liberty. All his life he fought for freedom, but since he fought for the substance and not for the shadow, for the thing and not for the word, he let no illusions or catch-phrases obscure his penetrating insight or confound his grasp of the essentials. He struggled long and hard to forge the diverse peoples of his subcontinent into a mighty nation. But foremost as he was in the ranks of those who fought for independence, he was also the first to perceive the inexorable logic of facts, and, when the time came, to proclaim fearlessly that the people of British India, bound together though they were in their common subjection, were not one, but two nations, and that to relegate one hundred million Muslims to the position of a perpetual political minority and to force the Hindu nation and the Muslim nation into a single unwieldly state would be the negation of democracy and would create the greatest single unstable area in the world. The great truth that he uttered was so startling in its simplicity that for a long time even some of his close friends and companions found it stimulating, but strange. But the hundred million suppressed Muslims knew instinctively that what he said merely gave coherence and dynamism to their own hesitant, inarticulate feelings. When on the 14th of August, 1947, our flag was unfurled in Karachi, a nation of eighty million people thanked God that the Quaid-e-Azam had lived to see his dream come true. And when he left us to rest in God, to whose greater glory he had dedicated himself, we knew that he had bequeathed to us a great destiny to fulfil. Wherever the flag of Pakistan may fly, its capital shall always be that hallowed piece of earth where he lies buried.

The three years that have elapsed brought with them many a trial that we expected and many others that we did not. The mass migration that took place between our country and our neighbour, and caused much unhappiness to people on either side of the border, was a great shock to our economy

and a great strain on our administrative machinery, which, it will be recalled, had had to be set up within a period of two months for a population of eighty million and for a territory that was spread far and wide. But our experiences, whether grave or stimulating, only convinced us that the historic decision that the Muslims of British India had taken, to work for a state of their own, was eminently justified. What is more, the events of these early years and the manner in which the people of Pakistan faced them have filled us with hope and confidence for the future. It was not the maturity of our administration or any previous experience or preparation that helped us to tide over the almost insurmountable difficulties that appeared in our way. Experience or preparedness we had none; for there had been no time for these. It was the fortitude and the determination and the self-sacrifice of the common man and woman which came to our rescue and gave our young state a momentum which will not be easily exhausted and which we believe will grow in strength. No new state could have been launched on its career under greater handicaps. But these three years of struggle have made us a wiser and more unified nation than we could have otherwise hoped to become within such a short time. Although they demanded great courage, patience and vigilance, they have endeared our freedom to us even more and have shown to us very clearly the path to a bright future.

To what use do the Muslims who form the majority of the people of Pakistan propose to put their freedom? This is a question which we as a nation have pointedly asked ourselves and to which we have a clear and unhesitating answer.

First, we are determined that the Muslims in our state shall be enabled to order their lives in accordance with their faith; that at the same time our minorities shall enjoy full rights of citizenship and shall freely profess and practise their religions and develop their cultures, and that their legitimate interests and the interests of the backward and depressed classes shall be adequately safeguarded.

Second, we are pledged to the principles of democracy, freedom, equality, tolerance and social justice as enunciated by Islam. This does not mean theocracy; for Islam does not believe either in priesthood or in the caste system. On the contrary our conception of democracy is possibly even more comprehensive than that which is contained in the institutions of universal franchise and majority rule. For it embraces social and economic justice, the right of private ownership, of each individual to enjoy the fruit of his honest labour—and yet with laws and institutions designed to eliminate destitution and to place healthy checks on vast accumulations of unearned wealth.

All this we call the Islamic way of life and pursue it because as Muslims we could not follow any other ideology or seek guidance from any other source but God, whose injunctions we believe these to be. To abandon these principles would be for us to destroy, instead of create, what we hope to build up and for which we demanded independence and freedom and a separate state.

Third, we are resolved to safeguard our freedom at all costs, whatever the threat and whatever the quarter from which aggression may face us. For our own part we have no aggressive designs and consider it our moral responsibility to pursue the path of peace and to help in the maintenance of peace and stability everywhere, particularly in the uneasy continent of Asia, on whose future, according to our way of thinking, world peace very largely depends. Nowhere in Asia are the circumstances for the development of the democratic idea more naturally favourable than they are in Pakistan; for nowhere are people more unified and more determined to apply their moral concepts of equality and social and economic justice to promote human welfare and to resist any attempt to tamper with their beliefs. But democracy, in Pakistan or elsewhere, is of little use to the common man unless its advantages are made available to him in his daily life and his standard of living is raised at least to a level which gives him a substantial stake in the way of life which he has chosen for himself.

We are fully conscious of this, and consider it our foremost duty to develop the resources of our country at the greatest possible speed. Even in the days of our greatest anxieties we were able to go ahead with this task, and though much remains to be done we are glad that we have been able to revive our trade, to plan the development of our irrigation, the expansion and modernization of our agriculture and the utilization of our power resources; to keep our budgets balanced and to throw the gates wide open to private enterprise in our industrial development. For this task there is nothing more essential to us and nothing that we could or do desire more passionately than peace.

I know that in Canada I am among friends and speaking to people who are in the same family circle as Pakistan. I feel therefore that I can speak somewhat more intimately

than is perhaps usual on formal occasions. Your great country and our young state both belong to the commonwealth of nations. I am not one of those who would demand that the bond which exists between the various members of the commonwealth be minutely defined. It is enough for me to know that they all basically have the same constitution, even though one of them may be a monarchy and another a republic, and all subscribe to the common principles of democracy, freedom and peace. In the uneasy, apprehensive world of today, such a large group of nations with so much identity in their declared aims should be a heartening spectacle to mankind. No practical person would therefore wish wantonly for its disintegration.

Two facts, however, I would humbly and respectfully commend to your attention. First, that with the growth of three Asiatic members of the commonwealth to the status of dominions, the notion that the commonwealth ties are mainly religious, historical or racial must be regarded as having outlived its use. If the commonwealth does nothing more than give the world a lead in establishing the brotherhood of man, irrespective of race, creed or colour, it will still have made a notable contribution to the cause of human welfare. Second, that since the greatest fear of the world is the fear of war, under whose shadow progress alters its aims and millions of humble men and women wait helplessly and apprehensively for an undeserved doom, the commonwealth has great opportunities for raising the hopes of mankind by outlawing war and aggression and the use of coercion or force as a method of settling disputes amongst its own members. We sincerely believe that in this way this free association of free nations can set the world an inspiring example and can give greater reality and efficacy not only to itself but also to the charter of the United Nations, to whose aims we are all pledged and whose success we all pray for.

The ideals of a freedom-loving, democratic, but young and underdeveloped country such as ours, could be epitomized in three words—peace, progress and co-operation. These three are but aspects of the same fundamental urge; for there can be no progress without peace, no peace without progress and the removal of the economic disequilibrium, so apparent in Asia, which keeps more than half the world in poverty and the ferment of discontent, or without international co-operation, which we believe to be the greatest need of all countries, great and small. In the pursuit of democratic ideals few countries have shown greater sincerity of purpose and a higher quality of quiet determination than yours. Blessed with the wealth of natural resources, you have shown the world how a nation, by dint of hard work, by its unity, its sturdy moral qualities, its progressive yet modest outlook, its wide international sympathies and its neighbourliness, can raise itself to great heights, bringing happiness to many and fear to none among those who love peace and honour the freedom of others as they do their own. I am sure that we can look forward to a long period of friendship between our two countries, and that in any joint moral undertaking to promote the welfare of mankind and good will and peace amongst nations, Pakistan and Canada will be more than friends. God bless your country and its people.

(Translation):

Hon. Elie Beauregard (Speaker of the Senate): Your Excellency, the Upper Chamber and the French-speaking people, on whose behalf I am now speaking, are pleased to welcome both yourself and your charming wife and collaborator, and to thank you for the friendly visit you have paid the Canadian parliament as well as for the substantial speech you have delivered. In you we greet a distinguished representative of a commonwealth nation which, in addition, is one of the world's great countries.

By its spiritual unity, based on the teachings and tradition of Islam, the sovereign state of Pakistan binds two territories that, oddly enough, are divided geographically. This thousand year old bond, of which religion and culture are the warp and woof, you recognize as stronger, as more imperious than that of mere neighbourhood or of the continuation of the land.

Pakistan's evolution provides one of the most interesting chapters of world history. In a sort of prophetic vision, your great poet Iqbal foresaw the development which you have made it your mission to achieve.

Under your leadership, your country, which throughout the ages has known and absorbed many civilizations, has progressed rapidly in the economic field. Though this is somewhat contrary to our conception of a legendary and static Orient, we can but rejoice at its march towards progress and a better standard of living, benefits which are common to all true democracies.

Following in the footsteps of the illustrious Mohammed Ali Jinnah, you recognize, as the leader of your country, that your authority comes to you from the people. You have desired to establish your country's constitution on a democratic basis and to complete its independence by making its policy as one with its ideals.

Through your character and your culture, as well as through the exigencies of our time, you are enabled to understand to the full

what democracy really means. You know that a strong nation is one in which the several units are made responsible for national development, by being called upon to participate in the administration of public affairs.

Your industrial and social program is commensurate with your overflowing personality. You are extending in the economic sphere the reform accomplished in the political field. Without breaking your age-long traditions, you are leading your people to the development of natural resources, industry and world trade. Pakistan will thus be a democratic, industrial and prosperous country.

May we, Your Excellency, greet in you the great architect of this national revival and offer you a tribute of admiration and the expression of our best wishes.

(Text):

Hon. W. Ross Macdonald (Speaker of the House of Commons): Honourable members of the Senate and of the House of Commons: From time to time our parliament has been honoured by visits from internationally known statesmen. Once again this honour has come to us. Today we have had the privilege of receiving the Prime Minister of a new nation which has been formed by people of ancient lineage and great traditions. The history of our country is very short compared to that of the country of our distinguished visitor, but we are a few years older in the status of nationhood. We are both young nations. I am sure we were all very much pleased to hear our Prime Minister say that we are sister nations; and then, shortly after, we were happy indeed to hear our distinguished visitor say that we belong to the same family circle.

Pakistan and Canada have many things in common. Allow me to mention but one. Both countries are bordered by powerful nations which speak the same or a similar language, and which have the same customs and traditions. Canada has lived in peace with her powerful neighbour for nearly 150 years. I am sure that I speak for all our members when I say that we hope our younger sister, Pakistan, will enjoy with her neighbour the same peaceful relations as her elder sister, Canada, has enjoyed with her neighbour.

Mr. Liaquat Ali Khan, may I express to you our admiration for the statesmanship which has already been demonstrated by you in facing the problems which have confronted you. We are deeply impressed by the high morale of your people and their faith in the belief that their new status as a sovereign independent nation will gradually bring to them a better way of life.

Mr. Liaquat Ali Khan, on behalf of the members of the Canadian House of Commons, I extend to you our deep appreciation for your very informative and inspiring address this afternoon. Our Prime Minister has asked you to convey a message to all your people. May I, as Speaker of the House of Commons, ask you upon your return to Pakistan to carry our greetings to your constituent assembly, and to tell your members how happy Canadians were today to have in their houses of parliament the Prime Minister of Pakistan.

55946—193½

HOUSE OF COMMONS

Thursday, June 1, 1950

The house met at eleven o'clock.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 253, for the relief of Margaret Mary Hamel Whittaker.—Mr. Winkler.

Bill No. 254, for the relief of Lewis Benjamin Wyman.—Mr. Winkler.

Bill No. 255, for the relief of Edna Dora Tucker Conley.—Mr. Winkler.

Bill No. 256, for the relief of Dorothy Marguerite Lester McBride.—Mr. Winkler.

Bill No. 257, for the relief of Josephine Rood Trottier.—Mr. Winkler.

Bill No. 258, for the relief of Margaret Irene Sinden Brown.—Mr. Winkler.

Bill No. 259, for the relief of Camille Poulin.—Mr. Winkler.

Bill No. 260, for the relief of Elisa Macdonald Mitchell Brock.—Mr. Winkler.

Bill No. 261, for the relief of Theodore Levasseur.—Mr. Winkler.

Bill No. 262, for the relief of Mary Marguerite Harvie Fine.—Mr. Winkler.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

CIVIC HOLIDAY—WINNIPEG POST OFFICE

Mr. Knowles:

1. What regulations prevent compensation being given to employees of the Winnipeg post office who were not given civic holiday as a holiday with pay in August, 1949?

2. When were such regulations passed, and by whom were they made?

3. What period did such regulations cover, and are they still in effect?

Mr. Lapointe:

1. The Civil Service Act (section 45) provides that any day appointed by proclamation by the governor in council may be observed as a holiday.

2. In 1949 the proclamation provided that the holiday applied to Ottawa.

3. Advice has been received from the civil service commission that in the calendar year 1950 any day proclaimed by the governor in council, designated as civic holiday in a particular locality, will be observed as a holiday by postal employees and other civil servants in that locality.

NOVA SCOTIA—FEDERAL REVENUE AND EXPENDITURES

Mr. Smith (Queens-Shelburne):

1. What was the total revenue collected by the federal government from persons resident in the province of Nova Scotia in the fiscal year 1949-50, as direct and indirect taxes?

2. What was the total expenditures of the federal government in the province of Nova Scotia in the fiscal year 1949-50, including direct payments to the provincial government and to individual residents as well as assistance to agriculture and industry?

Mr. Sinclair:

1. $31,178,000 (estimated). Customs duties and excise taxes on imports are not included as such figures are only available by ports of entry which is no indication of the point of consumption. If customs duties are apportioned on the basis of population Nova Scotia's share would be approximately $11 million.

2. $118,482,000 (estimated). These figures do not include:

(a) The more general types of budgetary expenditures which are made for the benefit of the country as a whole and which are of direct benefit to all provinces. In this category are the expenses of the central legislative body and of the financial and administrative departments at Ottawa, research activities of the national research council and other bodies and commercial activities of certain government companies.

(b) Payments to the majority of suppliers of goods, as the payments are in many cases made to the head office of the company and therefore do not lend themselves to an accurate segregation by provinces.

(c) Purchases by government agencies on behalf of the United Kingdom and foreign governments. These purchases are financed partly through loans from the federal government.

QUESTIONS PASSED AS ORDERS FOR RETURNS

PURCHASES OF LIVESTOCK IN THE UNITED STATES

Mr. Ross (Hamilton East):

1. How many Canadians purchased livestock in the United States in the year 1949?

2. What was the amount of money expended in these purchases?

3. How was it divided as to (a) cattle; (b) horses; (c) sheep; (d) swine?

Inquiries of the Ministry

CIVILIAN DEFENCE PERSONNEL—TRAVELLING EXPENSES AND ALLOWANCES

Mr. Diefenbaker:

1. What was the total amount of the travelling expenses and allowances of all officers and employees in connection with civilian defence during each of the fiscal years 1948-49 and 1949-50?
2. What was the largest individual amount expended in each of said years?

PUBLIC WORKS IN NEWFOUNDLAND

Mr. Browne (St. John's West):

1. What was the cost of public works in each of the ridings in Newfoundland during the fiscal year ending March 31, 1949?
2. What amounts were spent for (a) wharves; (b) breakwaters; (c) dredging?

PUBLIC SERVICE—TRAVELLING EXPENSES, ETC.

Mr. Diefenbaker:

How many civil servants or officials in the fiscal year 1949-50 received in addition to salaries and travelling expenses living allowances in excess of $5,000?

INDIAN ACT

CONSOLIDATION AND CLARIFICATION—BAND FUNDS AND EXPENDITURES, ETC.

Hon. W. E. Harris (Minister of Citizenship and Immigration) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to introduce a measure to amend, consolidate and clarify the Indian Act, and to provide, *inter alia*, for band funds and expenditures therefrom, and for other appropriations in case of deficiency or lack of band funds.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the consideration of the house.

Motion agreed to.

OLD AGE PENSIONS

REPORT AS TO TIGHTENING UP OF REGULATIONS IN ONTARIO

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): May I direct a question to the Minister of National Health and Welfare? Can the minister say whether the report in today's press is correct that the federal authorities have called upon those responsible for old age pension administration in Ontario to tighten up their regulations, with the result that the pension of some 7,000 people in Ontario is being reduced?

Hon. Paul Martin (Minister of National Health and Welfare): I have not seen the report to which my hon. friend directs my attention. All I can say is that there have been no changes in the regulations for over some two or three years.

[Mr. Ross (Hamilton East).]

INQUIRY FOR RETURN

PRAIRIE FARM REHABILITATION—DAMMING OF BEAUVAIS LAKE, ALTA.

On the orders of the day:

Mr. E. G. Hansell (Macleod): May I direct a question to the Minister of Agriculture? Can the minister facilitate the bringing down of a return which was passed in my name on May 3 respecting a small prairie farm rehabilitation project near Pincher Creek?

Right Hon. J. G. Gardiner (Minister of Agriculture): I will facilitate the bringing down of the return.

FLOOD CONDITIONS

SOUTHERN MANITOBA—RESTORATION OF HOUSES RENTED BY VETERANS

On the orders of the day:

Mr. William Bryce (Selkirk): I should like to direct a question to the Minister of Resources and Development. In answer to a question yesterday the minister said, as reported at page 3030 of *Hansard*:

All such houses owned and operated by the Central Mortgage and Housing Corporation will be restored to good condition at the earliest possible day.

Will he tell the house at whose expense?

Hon. Robert H. Winters (Minister of Resources and Development): I received notice of this question just as I came into the house. I think I can inform the house that houses owned and operated by the Central Mortgage and Housing Corporation wil be restored to good condition at the expense of the Central Mortgage and Housing Corporation.

Mr. Bryce: It will not be charged up to the tenants or owners?

Mr. Winters: The expenses will be borne by the Central Mortgage and Housing Corporation.

EXTERNAL AFFAIRS

COMMONWEALTH CONFERENCE—SYDNEY AND LONDON—REQUEST FOR STATEMENT

On the orders of the day:

Mr. Howard C. Green (Vancouver-Quadra): I should like to direct a question to the Secretary of State for External Affairs. When may we have a statement from him concerning the commonwealth conference which took place recently at Sydney, Australia?

Hon. L. B. Pearson (Secretary of State for External Affairs): The Canadian representative at that conference, my colleague, the Minister of Fisheries (Mr. Mayhew), is on his way back to Ottawa. I think he will get here on Monday. It may be possible to make a short statement on the conference that afternoon after I have seen the Minister of Fisheries. I hope to be in a position to make a statement myself on that day on the results of the recent conference in London, and I may be able to associate with that statement a short one dealing with the Sydney conference.

CIVIL SERVICE

QUESTION AS TO FIVE-DAY WEEK IN JUNE, JULY AND AUGUST

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): This is a question which perhaps should go to the Secretary of State. If someone is not acting for him in his absence, perhaps the Prime Minister can answer it. Will a statement be made soon as to the five-day week for civil servants in June, July and August?

Right Hon. L. S. St. Laurent (Prime Minister): A statement will be made just as soon as a decision is reached.

Mr. Knowles: It has not been reached yet?

IRRIGATION

ST. MARY-MILK RIVER PROJECT—AGREEMENT BETWEEN DOMINION AND PROVINCES

On the orders of the day:

Right Hon. J. G. Gardiner (Minister of Agriculture): Some days ago I was asked by the hon. member for Lethbridge (Mr. Blackmore) whether the contract for the St. Mary dam had been signed. I just want to say that it was signed some days ago.

SUPPLY

The house in committee of supply, Mr. Dion in the chair.

DEPARTMENT OF RESOURCES AND DEVELOPMENT

358. Departmental administration, $370,640.

Mr. Fraser: Does the minister wish to take these items up separately, or would he like general discussion on the first item?

Hon. Robert H. Winters (Minister of Resources and Development): Mr. Chairman, I would of course like to expedite these items through the committee. I am in the hands of the committee as to where they would prefer to discuss the different items. I have no objection to the practice of a general discussion on the administration item.

While I do not propose to make a lengthy statement, I should like to say that although the estimates of the Department of Resources and Development for 1950-51 show an increase of $19,081,710 over the previous year, a review of these estimates shows that they include a few new items authorized by statute or made necessary as a result of statutory obligations: for example, Trans-Canada Highway Act, $20 million; administration of Trans-Canada Highway Act (increase), $286,695; trans-Canada highway through Banff and Yoho national parks, $25,000; to recoup Minister of Finance for advances made to Northwest Territories Power Commission, $30,000. Deducting these items, there is an actual decrease of $1,259,985 in the normal estimates of the department.

It has been necessary to ask for an increase in several of the votes, while in others we expect to be able to get along with a lesser amount than that provided in the previous year. With the reorganization of the departments of mines and resources and reconstruction and supply into three new departments near the end of a fiscal year, it has been difficult so to divide the votes for 1949-50 that an accurate comparison of appropriations may be had. Consequently some of the increases are more theoretical than actual. However, I shall be glad to explain the reasons for these increases and decreases as each vote is under consideration.

As we come to the votes for Central Mortgage and Housing Corporation and the national film board I shall make separate statements.

Mr. Adamson: Does the minister wish to discuss the Central Mortgage and Housing Corporation now, or leave it until the particular item is called?

Mr. Winters: I think it would be preferable to leave it until we come to the item.

Mr. Bryce: I want to take up the question I asked the minister a few minutes ago on the orders of the day. The minister said that the houses in the flooded area in St. Boniface, Manitoba, owned and operated by Central Mortgage and Housing Corporation would be put in shape by that corporation. I do not know whether the minister is listening to me or not.

Mr. Winters: I am trying to listen, but I told the chairman that I could not hear the hon. member.

Mr. Bryce: I want to get this clear in my own mind. Central Mortgage and Housing

Corporation, the minister says, are to pay for restoration of the houses that they own. What is the position of the house the ownership of which has been transferred to a purchaser? Will Central Mortgage and Housing Corporation take any responsibility for it?

Mr. Winters: If the ownership has been transferred to somebody else, then the arrangement would fall, I should think, on the same plan that is worked out for the general restoration of houses in Winnipeg.

Mr. Bryce: These men would pay for them?

Mr. Winters: Central Mortgage and Housing Corporation would of course be in a position to pay only for repairs on the houses they own.

Mr. Bryce: I am quite clear on that now. Those that have not been sold will be looked after by Central Mortgage and Housing Corporation; those on which somebody has made a down payment, Central Mortgage and Housing Corporation will not be responsible for.

Mr. Fraser: I want to say a couple of words on the national film board. Personally I feel that parliament is not yet in a position to know exactly what is happening there.

Mr. Winters: I wonder whether the hon. member heard me. I said that when we come to the national film board I will make a statement. I would prefer a discussion at that stage, if it is satisfactory to hon. members.

Mr. Fraser: I am in the same position as the minister was; he could not hear, and I could not hear.

Mr. Knowles: I should like to call the attention of the minister to answers that were given to certain questions of mine, the answers being found in sessional paper No. 67J, tabled on Wednesday, May 10, 1950. This is another of those occasions on which, although we are invited to ask questions so as to get information, we receive returns which frequently fail to give that information. In this sessional paper are a number of questions, all of which do not apply to this department, but some of which do.

My third question was:

What federal public works projects have been undertaken in order to relieve unemployment since September 1, 1949?

The answer to that question, given by the Department of Resources and Development, reads as follows:

3. The federal government's program of public investment, including public works, consists of worthwhile projects which will contribute toward the development of the country, and which can be implemented at such times as they will contribute to the maintenance of a high level of employment. In line with this policy, projects undertaken by all government departments since September 1, 1949, had full regard to the employment situation.

I suggest there is a clear inference in this last sentence, namely that there were projects undertaken by government departments since September 1, 1949, and that those projects had full regard to the employment situation.

All right. Assuming from that answer that there were such projects, I draw the minister's attention to the following four questions I asked in relation thereto:

4. What number of persons have been employed thereon?

5. How much money has been spent thereon?

6. To whom have contracts for such works been awarded?

7. In what areas have such works been undertaken?

Surely those are specific questions calling for precise answers. But the answer of the Department of Resources and Development is as follows:

4, 5, 6 and 7. Answered by No. 3.

As the minister knows, we have far too many of these. The hon. member for Lake Centre gave an example the other day. If there had been no projects undertaken, the answer to questions 4, 5, 6 and 7 could be "Nil," or "Covered by the previous answer". But the answer to question 3 implies that, in line with this policy, projects undertaken by all government departments since September 1, 1949, had full regard to the employment situation. If there were such projects, then the minister's department should have answered my specific questions 4, 5, 6 and 7.

I shall not take further time to discuss the matter. But I would like to have the minister's promise to have this sessional paper looked at again, with a view to seeing if I can be given more precise answers to questions 4, 5, 6 and 7 in sessional paper 67J.

Mr. Winters: Mr. Chairman, I am familiar with the sessional paper and the contents of it. The government investment program is not of course the responsibility of any one department. On the contrary it is a matter involving expenditures by all government departments. If the hon. member will refer to the estimates, as he has done on more than one occasion, he will see a great many votes for a great many projects in, for example, the Department of Public Works, the Department of Transport, the Department of Resources and Development, and other departments. Those projects are undertaken from time to time, and in each case before a project is begun full regard is had to the employment situation obtaining in the area concerned. That is what was intended by the explanation given in the sessional paper.

Mr. Knowles: I submit that anyone looking at those answers will agree with me that there is simply no answer there at all. The answer to No. 3, which merely sets out general policy, is not an answer to my specific questions as to the number of persons employed, the amount of money spent, the persons to whom contracts were awarded, or the areas in which such works were undertaken. If the minister did not wish to answer those questions, he should have said so. But to say that those questions are covered by the answer to No. 3 is, to say the least, annoying.

Mr. Diefenbaker: There are two matters I should like to bring to the attention of the minister now instead of waiting for their being called in regular order, because I have to attend the committee on agriculture.

My first question is in connection with national parks and historic sites services, and the national battlefields commission. As the committee knows, in the rebellion of 1885, the outcome of which was the preservation for Canada of what is now known as Saskatchewan, and in which numbers of volunteers from eastern Canada lost their lives, the battles in northern Saskatchewan were fought in the main at Batoche and Fish Creek, adjacent to Prince Albert; and then in the area around North Battleford at Fort Pitt and Cut Knife. These particular areas today are remembered by many as the scene of the last warfare that took place in Canada for the preservation and perpetuation of this union.

I would point out particularly, to begin with, the situation at Batoche, which is located some miles east of Duck Lake. That is where one of the battles of the rebellion was fought, and it was the first place where trenches were used in warfare. Today all that remains to indicate that one of the most important battles of the rebellion was fought there are the trenches, which at this time are only six or seven inches deep, having been filled in by the erosion which has taken place over a period of sixty-five years. There and at Fish Creek a number of volunteers lie buried, as well as numbers of metis and Indians who fought in those two battles. There is nothing to indicate that these are two of the great historic sites in Saskatchewan—nothing other than a small monument erected on the banks of the Saskatchewan river at Batoche through private contributions. There is nothing to indicate that Batoche and Fish Creek are indeed two shrines that should be preserved as such.

Having visited over the years a number of our memorial gardens, as I choose to call them, I submit that these two places, and the other to which I have made reference, should receive attention by the department even at this time. As I have pointed out, Batoche represented the first occasion on which trenches were used in warfare. One can still walk over that area and relive the romance of the days of the fur trader, of the metis, of Gabriel Dumont, the greatest metis leader of his time and the greatest buffalo hunter of North America, not excepting Buffalo Bill. By taking action in this matter the minister would be doing something worth-while for the maintenance of Canadian tradition and the cementing of the unity that today prevails among the whites, the metis and the Indians in that area, many of whom are descendants of those who participated on either side of that rebellion.

My first request is that these two areas be set aside as historic sites. The area does not amount to more than fifteen or twenty acres in each case, and these lands should be purchased by the Canadian government. In the years to come Canadians will look at these sites as being places worthy of preservation, because they represent battlefields, though they are small in comparison with modern battlefields, which are significant in that what occurred there contributed so much to the building of western Canada.

The second suggestion I bring to the attention of the minister has to do with Watrous lake, which lies partly in my constituency. Were this a matter that concerned only my own constituency I would not refer to it now. Since 1750, according to legend and history, Watrous lake has been regarded, first by the Indians and latterly by the settlers who came into the west, as a lake containing medicinal properties of great value. The lake is drying up, and in a matter of a few years will have disappeared unless something is done nationally to preserve it. The history of western Canada indicates that as early as 1750 Indians from as far east as Fort William and as far south as southern Nebraska made pilgrimages there to take advantage of the medicinal properties of this lake. Within the last twenty-five or thirty years many people suffering from arthritis, rheumatism and similar ills have found relief by bathing in the waters of this lake. It is several miles in length, and apparently the outlets of the springs are being closed off through the operation of the salts in the water. An expenditure on this lake by the national government would pay dividends that could not be estimated at this time. I know I speak for hon. members from all parts of Saskatchewan, and not just as one in whose constituency this lake is partly situated, when I say that anything done in this connection would be appreciated.

I ask the minister to consider making available members of the engineering staff or officials who would be able to give expert advice to the people of Watrous so that measures may be taken for the preservation of this lake. It might well be called an historical monument, because over the years this lake has been and still is regarded by the Indians, as the Ganges is in India, as a place where the spirit can be renewed by bathing in the waters.

If we are to build up a true Canadianism; if we are to have unity with no division because of race, colour or creed, nothing will contribute as much as the preservation of sites and areas which are so much a part of our history and tradition. Both Batoche and Fish Creek are shrines to the people of Saskatchewan, and they should be preserved for the future. If something is not done within the next six months or a year—I visited these battlefields within the last few weeks—they will be lost completely to posterity.

Mr. Murray (Cariboo): May I say a word in support of the idea of preserving these historic sites in Saskatchewan? In setting aside these sites as shrines may I suggest that a small niche be provided in which could be placed a bust or statue of Louis Riel, once a member of this parliament, to remind the people that a great leader died the death of a martyr while fighting for his own people. A few days ago we memorialized the anniversary of Jan Smuts, who at one time fought against the crown. Some days ago this parliament paid a tribute to Jan Smuts, who at one time was a rebel but who lived to play a great part in the cause of democracy throughout the world.

Students of Canadian history who have followed the story of the northwest rebellion must realize that the central figure in that rebellion—he may have acted unwisely or rashly—was a true leader of his people. Louis Riel who led a lost cause, though he died upon the scaffold, is today regarded as a patriot and martyr by a considerable section of the Canadian people.

Mr. Blair: Mr. Chairman, I have a matter which might more properly be brought up under item 366 or item 370, but like the hon. member for Lake Centre I expect to be attending a committee meeting. I refer to the astrolabe of Champlain, who was one of the greatest early explorers of this country. Any hon. member who visits Nepean Point will find there a statue of this great early Canadian explorer, looking up the Ottawa river toward the scene of some of his early explorations, and holding in his hands a scientific instrument for the taking of latitude and longitude. He had used it when he was searching for the northwest passage.

In his memoirs Champlain tells of how he lost this instrument. Some years ago a farmer near Cobden found it when ploughing, but unfortunately it found its way to a collection in New York. This instrument should be in our national museum. Not only is it an instrument used by one of the greatest explorers; it is a tangible reminder of the great things he did for this country. I feel that it belongs to Canada, and I suggest that an effort be made to have it brought back and placed in our national museum.

At the same time I should like to pay tribute to the work of Harry J. Walker, of this city, who has written so much about this district and about early exploration in Canada. The other night Mr. Walker brought this matter up at a meeting in the county of Renfrew. He suggested that the department should make some effort to bring the astrolabe back to Canada and place it in our national museum. It belongs here. It is one of the most valuable scientific souvenirs of those times that is in existence. It is something that is closely linked with the history of this country. It is a part of Canada.

Mr. Harrison: I should like to associate myself with the remarks of the hon. member for Lake Centre as to setting aside the historic sites of Fish Creek and Batoche. I think there should be added to them for the benefit of posterity the historic site of Rat Foot hill. At this point the last battle ever fought on Canadian soil took place between Major Steele and Chief Big Bear. Close to this site is the location of the Frog Lake massacre. A short distance away from that is old Fort Pitt, which I visited last year, and where a private party has erected a monument. In farming operations they had plowed up the old Fort Pitt graveyard. The number of people who turned out for the ceremony lend point to the arguments raised by the hon. member for Lake Centre that there are a great many people interested in such things. They should be preserved for our children and our children's children through all generations, to bring to their attention our early history. I have no doubt that as time passes, these sites will become important places of interest. I strongly support the argument of the hon. member for Lake Centre, and I should also like to add the historic site of Rat Foot hill, where, as I have said, the last battle fought on Canadian soil took place.

Mr. Winters: Mr. Chairman, the hon. member for Lake Centre always seems to have an interesting story to tell the house, and the one he told touching on Buffalo Bill and other similar characters was no exception. He has made a good contribution, as he

usually does. The matter of historic sites in the general area to which the hon. member for Lake Centre refers was brought to my attention some time ago by the hon. member for Prince Albert, who had in mind particularly the old R.C.M.P. barracks at North Battleford. We have referred that project to the Historic Sites and Monuments Board of Canada, which happens to be meeting in Ottawa this week.

I can assure the hon. member for Lake Centre that I shall be very happy to ask the board to take into full consideration the remarks he has made this morning. I am sure they will find them interesting and helpful. Watrous lake is in an area that has been developed somewhat commercially. I understand the property is owned by the province. To my knowledge we have received no request from the province to develop the area, but should one be received we shall of course be pleased to give it full consideration.

As to the remarks of the hon. member for Lanark about Champlain's astrolabe, which I understand is a sextant type of instrument for determining longitude and latitude, as he said, it is now lodged in a museum in New York. We will see what can be done about having it returned to Canada. There are many instances in which valuable historic instruments have been given to Canadian museums and now form a part of the historic background of the country. I also wish to thank the hon. member for Meadow Lake and the hon. member for Cariboo for the remarks they have made, which have contributed to this phase of the discussion of the estimates.

Mr. Diefenbaker: Mr. Chairman, since the minister was kind enough to refer to my reference to Gabriel Dumont, may I say that what I said was indeed the fact. He was the greatest buffalo hunter that any part of North America ever produced, although his activities do not occupy such a prominent place in history as those of Buffalo Bill, by reason of the fact that the latter toured the world.

I should like to mention in connection with Batoche that there is another reason why the battlefield should be set aside as a national monument. At Batoche on May 9, 1885, there took place the only naval engagement that has been fought inland in North America since the war of 1812. In that area there are many metis descendants of those who participated in the rebellion under Louis Riel. They are good Canadian citizens. I know of nothing that would be more appreciated by them, as well as by the descendants of the whites who participated on the other side in the rebellion, than to set aside the battlefield at Batoche as a permanent memorial and as evidence of the unity of the descendants of those who were engaged on opposing sides in the rebellion.

Mr. Drew: While we are discussing these historic matters there is one subject I should like to refer to which comes under the general heading associated with museums and is not actually covered by any item.

In view of the fact that this department is charged with the responsibility of supporting the national museum of Canada and national historic sites, I suggest that there is a most important historical collection which should be placed in a museum, not only in the interests of the locality where the collection now is, but also in the interests of the whole of Canada. Strangely enough, little is known throughout Canada generally of the remarkable collection of experimental telephone models, carried right through to the final stage of development by Alexander Graham Bell, which are now collected at Baddeck, Nova Scotia, in a building near his old home. When we speak of history it is not necessary that something be seventy-five or a hundred years old to make it an important part of the history of Canada. The achievements of Alexander Graham Bell in Canada constitute a great record of individual initiative which can be a source of inspiration and encouragement to Canadians young and old. In the building near his old home is a collection which I should think is quite as interesting as the collection of experimental models and actual finished developments of Thomas Edison, which are housed at Dearborn in buildings provided by the late Henry Ford. That in the United States the corresponding collection of a man who was engaged at the same time in many similar fields has been taken care of privately in no way alters the fact that we should all be interested in the preservation and the appropriate recording of the essential details connected with the great achievements of Alexander Graham Bell.

At Baddeck are the experimental models of the instrument which evolved into the telephone so widely used today. It is interesting to note that there were two men on the continent of North America carrying on experiments in similar fields. It was really a race whether Alexander Graham Bell or Thomas Edison would invent the telephone. Edison was experimenting with a telephone, but Bell perfected and patented the invention first, and the models and drawings are all there. Edison invented the phonograph. Bell was working on a phonograph, and was

within perhaps a few weeks of obtaining a patent on it. His experimental models of the phonograph are also at Baddeck.

Bell was also one of the pioneers in the field of transportation by air, and began his experiments at the same time as the Wright brothers in Dayton, Ohio. He began extremely interesting experiments with tetrahedral kites, which he thought could be powered and developed into a more effective method of air transportation than the monoplane or biplane; and his tetrahedral kites, up to the model that actually lifted a man, are still in this building at Baddeck, along with his plans for the development of that kite into a machine that would carry human beings. Then he switched from that to the biplane, and it is a matter of historic record that the first aeroplane flown anywhere in the British empire was flown at Baddeck many years ago by the present lieutenant governor of Nova Scotia, John McCurdy. There is a monument commemorating that first flight, which occurred only a few years after the Wright brothers had flown their machine at Dayton. There are also models of propellers. There were no wind tunnels in those days, and Bell had to construct propellers with different angles to find which would produce the greatest drawing power as it revolved in the air.

Furthermore, there are interesting models of an invention he developed during the first world war, which was intended to be used against submarines. It might have had very important results if the war had continued longer. That invention was called the paravane, a name which was later given to an actual device attached to ships for use in connection with submarines. It was a long, narrow boat with lifting planes on the side which would carry the body of the craft out of water so that it could be carried along the surface by an air propeller. There are other unique inventions there. They have been recorded; information about them is available, but to nothing like the extent it should be, having regard to their immense scientific value, and above all to the challenge they constitute to young Canadians.

I mention this matter at this time because it is the first opportunity I have had to do so; the minister will recall that we had not reached this point in our discussions when the session terminated last spring. One of the things about which I am greatly concerned is the danger that this whole collection might be lost. While it is cared for at the present time, unless something has been done very recently it is not housed in a fireproof building. The whole collection, comparable to Edison's collection at Dearborn, could be lost not only to Canada but to the world; and this is a world collection.

I would strongly urge the minister to consider whether this is not a subject that might well be discussed with the historical group now meeting here, so that steps may be taken, by whatever plan may seem practical, to provide a museum at Baddeck which will be fireproof—it should be equipped with a sprinkler system—to assure to future generations of Canadians an opportunity of examining these exhibits which show what a man of vision and initiative can do simply by his own efforts.

We now have available the opportunity to give all the schools in Canada a record of these things by means of coloured photographs, which can be prepared very simply. I first became interested in this subject when I was minister of education in Ontario, and greatly wished that it were possible to present in effective sequence and full visual form some of these developments which are the heritage of all Canadians.

For the reasons I have put forward—first, that of preservation; second, that of making these things available to all Canadians, and third, to add to the attractions of what is already one of the loveliest spots in the whole of Canada, and which I am sure in the years ahead will become an increasingly important place for tourists to visit—I would urge that, not in the distant future but as soon as possible, steps be taken to house this great collection in a fireproof building and to make it available for inspection under the most favourable conditions.

Mr. Winters: I want to thank the leader of the opposition for his remarks in general; and I cannot overlook the fact that they were made about Nova Scotia, which is a veritable treasure house of historic background. The subjects with which he dealt are of particular interest to me, particularly the telephone, and I should be quite happy to sit here and listen to remarks in that vein for a much longer period of time. The gentleman who made the first aeroplane flight in the British empire is of course very well known to me, and I have no doubt he will be delighted at this reference to his activities in that field. The area with which my hon. friend dealt is particularly dear to the heart of the premier of Nova Scotia, who is very familiar with it and very fond of it.

Mr. Drew: He learned his Gaelic there.

Mr. Winters: That is where he learned his Gaelic, and where he still goes to practise

it. In that area the federal government chose to locate one of its national parks, Cape Breton national park, in which we have the Cabot trail, one of the most picturesque trails in Canada. I can assure the hon. gentleman that I shall be pleased to seek additional information on the ownership of these historic models, and to see what action, if any, the federal government can take to retain them in a good state of repair in perpetuity.

Mr. Browne (St. John's West): I should like to make a few general observations somewhat along the same lines as those that have already been made by previous speakers. First of all, I should like to draw the attention of the committee to the fact that this year in Newfoundland we are likely to have serious unemployment. Those who have listened to the answers given by the parliamentary assistant to the Minister of Fisheries must have some idea of the serious situation which has developed in the fishing industry in Newfoundland. As that industry concerns a greater number of people than any other, it is going to have a serious effect upon the economic situation this year. I have several letters which indicate that fishermen are not likely to go fishing because of the uncertainty of the situation. I do not wish to dwell on that matter now, except in so far as it refers to the answer that was cited here by the hon. member for Winnipeg North Centre, in which it was stated that the government has certain projects of great value to the country which it proposes to introduce at times when they are needed.

In regard to the projects which might be introduced in Newfoundland, first of all there is an economic survey which was promised under the terms of union. The provincial government at the present time has made an agreement with a New York corporation, sponsored by the Rockefeller foundation, for the investigation of economic conditions. Already the Newfoundland industrial development board has completed an investigation with regard to Newfoundland's resources. The federal government therefore would be in a good position to help out in that respect. I hope that the results will be beneficial.

I have not yet heard from the minister whether the Newfoundland government has signed the agreement in connection with the construction of the trans-Canada highway. If it has not been done yet, I feel that everyone in Newfoundland would like to see two sections attacked this year. One is from St. John's to Gander, where our great airport is, and the other is from Port aux Basques to Corner Brook, because that is the section of the country which offers the most attractions to tourists who are interested in fishing and shooting. A large number of American tourists come down there every year; and they are a source of profit to the guides and to those who operate hostels in that section of the country.

I am sure that the minister must be anxious to see a national park established in Newfoundland. One area which has been devoted by the government of Newfoundland for a long time to that sort of thing is on the Avalon peninsula, which has been a sanctuary. I believe that is the place where the government might establish a national park in the first place, on the Salmonier line, where it seems to me, from the difference in the climate between that section of the country and the east coast near the seashore, would be the most suitable place for encouraging the increase in game and the growth of various kinds of trees. It is a wonder to me that the Salmonier valley which is a most attractive place, with many natural advantages, has not been settled more than it has been.

With regard to the question of historic sites, of which mention has been made, may I say that we have some historic sites in Newfoundland. In fact so important are these historic sites that I think the history of Canada will have to be rewritten in order to do justice to those we have there. First of all, we have cape Bonavista, represented by the Secretary of State, where in 1497 John Cabot, who set out from Bristol, England, first saw land in the new world. We have St. John's which, according to tradition, is the place where John Cabot first dropped anchor on June 24, 1497, and where in 1583 Gilbert laid the cornerstone of what is now known as the British commonwealth of nations. We have Cupids, where in 1610 John Guy attempted to establish a settlement, and Bristol's Hope, where the first English-speaking child in Canada was born; Harbour Grace, where John Mason attempted to found a colony; Trinity, associated with Captain Whitbourne, who was a great lover and admirer of Newfoundland and wrote a book about it, and who fought in the Spanish Armada with Sir Francis Drake; Ferryland, where Lord Baltimore founded a settlement, but unfortunately, because of pirates and at the time the hostility of the French fleet, was forced to abandon the colony and establish a colony in what is now known as the state of Maryland in the United States.

We also had in Newfoundland a tribe of Indians that has been wiped out. They were known as Beothucks. There are many interesting points in Newfoundland where battles

took place between white men and Indians and where the last of this great race of people were seen.

I come now to the question of reforestation. I am sure it must be known to the minister that between seventy-five and eighty-five per cent of the forest lands in Newfoundland are now controlled by two companies. Did I hear the minister make a reference to sixty-five per cent?

Mr. Winters: I did not say anything.

Mr. Browne (St. John's West): The great bulk of these timberlands are controlled by two companies, the Anglo-Newfoundland Development Company, and the Bowaters Company, operating at Corner Brook. Reforestation has never been practised on any considerable scale. It is a policy that I advocated previously, and which I now advocate as being essential for Newfoundland. Anyone who has read the writings of Sir Edmund Gosse, the famous curator of the British museum and a great literary man, will remember his statement that when his father went to Conception bay a hundred years ago the trees of pine and spruce came down to the water's edge. If anyone travelled along Conception bay now he would see only small patches of trees near the water's edge, and he would notice that large areas have been burnt over.

This brings me to a subject in which I am specially interested, namely, the prevention of forest fires. It seems to me that in this country sufficient attention has not been given to the prevention of fires. I would recommend strongly that every fire should be carefully investigated in order to find out what the cause was, and then that rules be drafted to try to prevent recurrences. During the time that I was magistrate in St. John's, I remember personally conducting an inquiry into every fire that took place there. It may have been a coincidence, but as a result of those inquiries, I believe, we went for a long time, for months in St. John's, without hearing a fire alarm. That situation perhaps has been considerably changed through the introduction on a great scale of oil-burning stoves for domestic use.

In regard to forest fires, the department must take all the precautions they possibly can. Only last week we heard of fires along a nine-mile front. Anyone who has seen a forest fire in action realizes how terrible it can be. It destroys not only the forests but also wildlife and sometimes settlements. Occasionally there is also loss of life.

We have had very serious forest fires in our country. In fact I believe there has been more destruction of timber resources by forest fires in Newfoundland than have actually been used by the paper companies since they were first established there in 1904. Therefore I would recommend most strongly to the minister that, so far as he is able, he give particular study to this question, and to the introduction of any preventive measures that might come as a result of that study.

Mr. Carroll: Without attempting to divert the discussion that we have had, I think it would be unfortunate if in considering what was accomplished by Bell and his associates at Baddeck, both in relation to telephone communication and in flying, the name of Casey Baldwin should be omitted. The hon. member for Cumberland knows Casey Baldwin very well. I suggest that the name of Casey Baldwin will long be held in the greatest respect and admiration for the things that he helped Mr. Bell and his associates to accomplish in Baddeck.

I invite the minister, when he comes down to look over the historical material that is there, to partake of a late breakfast with me, because I am building a little house at Baddeck in the prettiest spot on the ocean lakes.

Mr. Brooks: I agree with what has been said with reference to the marking of historic sites. I want to pay tribute to the memory of a man who I think has done more in Canada to preserve historical sites than any other. I refer to the late Dr. Clarence Webster, of New Brunswick. I am sure that Dr. Webster's name is familiar to everyone in Canada. His name is a household word in the maritime provinces. He was born in Shediac and studied medicine and practised his profession in the United States, where he made an international reputation for himself. In his later years he returned to his native province of New Brunswick and devoted his time, to the marking and perpetuating of historic sites. I do not suppose there is any man on the North American continent who has done more along this line than Dr. Webster.

The maritime provinces, like the province of Newfoundland, were more or less the cradle of history in the Dominion of Canada, and Dr. Webster devoted his time to the recovery of old sites and forts and of obtaining information on relics relating to the early days, of the time of the Indians, the French regime, and later when the English-speaking people were in possession of the country. I might just mention too that his collection of relics of General Wolfe, for instance, is considered the finest in the world.

Dr. Webster devoted his time to the uncovering of the massive ruins of Fort Louisbourg, Cape Breton. He has done a great work there

for posterity. I think his most notable work was in connection with Fort Beausejour, which is one of the great historical museums of Canada. Thousands of people from the United States and Canada visit this museum every year.

I rose merely to pay tribute to this great Canadian and to call attention to the splendid work he did for the people of Canada, which I hope will be continued by others in the future.

Mr. Stick: I should like to thank the hon. member for St. John's West for mentioning the historical places in Newfoundland, because they are all pretty well in my riding. May I return the compliment by drawing the attention of the committee to the historic site of Signal Hill in St. John's. It is rich in history, and goes back for hundreds and hundreds of years. Very little has been done to preserve it. It was on Signal Hill that Marconi received his wireless signal from Penzance. In my riding there is a place called Heart's Content, where the first transatlantic cable was landed on the American continent. These are historical events, and now that we are a part of Canada they should be preserved. I do not think that we in Newfoundland appreciate their significance as much as we should. Now that the question has been raised, perhaps the minister will see to it that his department and our province work out some scheme of preserving these historic sites; otherwise they will be lost. There are many of them in Newfoundland, and a great many of them are in my riding. I would like to see them preserved. When the people from this part of Canada come to Newfoundland they will have something worth-while to look at and they will realize that that part of Canada, now the tenth province, is rich in history which will add to the history of this dominion.

Mr. Black (Cumberland): I should like to associate myself with my deskmate, the hon. member for Royal, in his reference to Dr. Webster. I had many contacts with him in recent years. Dr. Webster was a great Canadian. Only a few weeks ago he passed away. He was at the unveiling of the extension to the museum at Fort Beausejour last summer. He then said that his day was about done. He asked those who would come after him to preserve the relics and to add to those that were in that museum.

On that occasion, Dr. Charles Eaton, a prominent member of the United States congress, who now lives in New Jersey, but was born in Pugwash, Cumberland, was there and gave the main address. The minister's predecessor, now Mr. Justice Gibson, was there to represent his department and the government of Canada. I want to join the member for Royal in paying my sincere tribute to Dr. Webster, one of the great Canadians who gave his very best to make known our history and to preserve those relics of the past. He pointed out to the people of Canada their duty and their obligation to have them preserved.

I should also like to join with the hon. member for Inverness-Richmond in his tribute to Casey Baldwin. Casey Baldwin too was a great Canadian. He took a deep interest in these matters of scientific concern to Nova Scotia and to Canada. He carried out the work inspired by Graham Bell in connection with the aeroplane, and the improvement of an appliance attached to boats, to which reference was made by the leader of the opposition; paravanes, in the nature of wings, served to lift boats as they reached higher speeds, thus preventing friction in the water and increasing greatly their speed. He made an intensive examination into the possibilities connected with the speed of boats, with particular application to their use in time of war.

Casey Baldwin was for a time a member of the legislature for Victoria county. No man took a greater interest in the development of highways than he did. Votes did not mean much to him; he was more interested in the actual work that could be done on the highways. It was Casey Baldwin who was instrumental in doing the pioneer work that resulted in the establishment of Highlands national park. In the days of depression the money was not available, but Casey Baldwin pioneered in the development of that park, which is now being improved from year to year.

It was he who suggested to me, when I was minister of highways, that we build the Cabot trail. He claimed, and had evidence to prove it, that the first landfall made in North America by Cabot was on Cape Breton island. It was his recommendation that this trail, one of the most famous in North America, should be known as the Cabot trail, and it is so known today.

I join with those who have paid tribute to these two great men whose names mean so much in Nova Scotia. Graham Bell is buried in Cape Breton, Nova Scotia, although he was not born there. However, his heart and his interests, as the leader of the opposition has said, were there. Many of his experiments were carried out in Nova Scotia, and no time should be lost in seeing that his memory and his works are preserved.

Mr. Herridge: I had not intended to speak, but I could not sit here longer, listening to references to historical aspects of the maritime provinces, without bringing to the attention of the minister the great explorer who discovered the Columbia river which flows

through my constituency. I refer of course to David Thompson. Regardless of the fact that both provincial and federal governments have had departments dealing with historic sites, one cannot find a single monument or cairn erected at any point over the whole length of the Columbia river to indicate its discovery by this great explorer. There is nothing to show where his encampments were made, or anything of the kind.

Neither the provincial nor the federal government has done anything to record the historic work of that great expplorer. I cannot understand why as a nation we are so slow in marking the points in this country having historical significance, because in relation to the extent of our other expenditures the amounts required in this instance would be small indeed. It would not cost a great deal to erect cairns bearing bronze plaques for the information of the public. Will the minister tell the committee whether there is co-operation between the federal and provincial departments concerned with the preservation and marking of historic sites? What determines which government shall carry out the restoration or marking required?

Mr. Winters: The marking of historic sites is the function of the department acting on the advice of the Historic Sites and Monuments Board of Canada. Where the site in question is of national significance in the history of Canada it is handled in that way. There are many other sites of course which have only local significance, and in those cases provincial or municipal governments take the proper steps to commemorate the occasion. I can assure the hon. member that there is co-operation in the matter of marking sites.

Mr. Herridge: Would the minister consider the discovery of the Columbia a matter of national significance?

Mr. Winters: I do not think anyone could overlook the significance of the Columbia river in the national development of Canada. Whether or not its national significance historically comes within the administration of this department is something that would have to be determined by the historic sites and monuments board.

Mr. Gillis: I do not wish to break up this friendly discussion, but I find it hard to understand why the only subject under discussion now is that of museums and historic sites. We are discussing the first item in the minister's department, which has reference to departmental administration. While I do not wish to detract from any of the glories of the past, still I am not too much interested in them.

I have gone over the minister's estimates, and I should not like *Hansard* to go out leading people to think, Well, this is the department responsible for the future development of Canada and for mapping out our potentialities from coast to coast; this is the department which will follow the government's policy regarding the future development of the country, as announced by many of the ministers, that it will support the system of private enterprise where it works, and, where it fails, supplement such private enterprise by government action.

I was surprised when going through the minister's estimates to find very little about the development of the resources of the country, or the supplementing of free enterprise where it has failed. True, there is a good deal about water, about the Arctic, about scientific surveys, and all that sort of thing; but there is nothing concrete in his estimates that fits in with the picture across the country as I see it today.

I am disappointed in that. For instance, in the matter of housing, for which the minister's department is responsible, I find very little. His statement has indicated that he has taken an interest in this subject, and that he has a program; but in the estimates before us one would imagine nothing is being done by the department in the matter of housing.

Mr. Winters: Why would my hon. friend come to that conclusion?

Mr. Gillis: Because I have read the estimates. I cannot see in them anything which would show that the minister has a program in mind.

Mr. Winters: I believe that as we go through the estimates the hon. member will find that his point will be covered—certainly in respect to housing.

Mr. Gillis: I hope so. If we are honest with ourselves, if we go across this country today and visit the industrial sections, we will find great anxiety in the minds of those who are operating industries about markets for the future. There is in every section a process of laying off help, and a bad unemployment situation is developing. The government did have a shelf of public works that was intended to fit into the picture so as to absorb the unemployed until international trade problems could be ironed out. They have shelved that public works program, and I have no hope of finding anything in the minister's estimates to cover the situation in areas where unemployment is not seasonal or regional; and I refer particularly to the maritimes. I do not think the discussion we have had on this administration item

is at all realistic. Before the minister finishes with his estimates I hope he will be able to tell us that something is to be done. The maintenance of monuments, historic sites and national parks is not going to feed these people or cure our unemployment situation. It is not enough to arrange for things to go into our museums, because that will not solve the problems that are developing today.

I consider the minister to be a capable man who has had practical training. He is from Nova Scotia, and I have a lot of respect for him, because I believe he is loyal to that part of the country. I hope he will be able to tell us that some permanent measures are to be taken to relieve an unemployment situation which is more or less permanent in character.

Mr. Winters: If hon. members consider that they have had ample opportunity to discuss the administration item, perhaps we could move on to the detailed items, when the answers to the questions raised by the hon. member for Cape Breton South will become apparent. Considerable amounts are provided for projects in Nova Scotia, and in most cases, if not in all, a consideration for initiating the project was the unemployment that existed.

Mr. Gillis: Will the minister give me the number of one of those items?

Mr. Winters: A large amount of work is to be done in the Cape Breton national park, by way of highway construction, and so on. There is also the trans-Canada highway program, although Nova Scotia has not signed as yet. A considerable amount of money is being allotted for housing under the dominion-provincial program, and would be available to any province, including Nova Scotia, if it cares to use it.

Mr. Rowe: I hope I am not out of order, but I feel that this first item should permit a discussion of our natural resources. So far no mention has been made of fire protection for our forests, and I am beginning to think that we have overlooked the importance of our great forest resources. During the last ten years spectacular changes have occurred in the development of these resources, and it might be said that we sometimes failed to see the forest for the trees.

Members representing both rural and urban ridings have stressed the importance of agriculture to this country. We are spending perhaps $60 million or $70 million under the agriculture items, and in addition there are the subsidies that are being paid to advance the development of our great agricultural industry. But we should not forget our forest resources and the industry that is dependent upon them.

I notice there is an item covering the forestry branch, and I suppose further discussion could be carried on under that item. Under our present constitutional set-up the provinces have to do with property and civil rights, but in the general development of our country there has been overlapping in connection with many services, such as health and agriculture. At one time or another some of these matters were more specifically provincial in character, but I fear of late we have had what amounts to duplication of services.

Our forest resources and our forest industry seem to have been forgotten so far as this house is concerned, and so far as this and previous governments are concerned. I would emphasize that there is little apparent change this year. Although there is some increase in the vote for the forestry branch, the total expenditure is still something under $3 million. We should realize what the forestry industry means by way of employment and national development, by way of the creation of national wealth and favourable balances of trade. In my opinion too little attention has been paid by our national government to the protection of our forest resources, to their development and to their conservation. Not enough attention has been paid to this growing industry.

I appreciate the responsibilities that the provinces have, and perhaps this matter is more specifically provincial than some of the other items. However, it might be of interest to outline some aspects of our forest industry. One out of every ten carloads of freight moving across the country is made up of forest products. Twenty per cent of Canada's trade is made up of forest products. Thirty-eight cents out of every United States dollar received for commercial exports represents forest products.

In the last twenty years we have more than doubled our exports of pulp. Our pulp production has doubled in ten years, and we now supply twenty-seven per cent of the world's needs, whereas less than ten years ago we were producing only sixteen per cent. We now provide fifty-seven per cent of the world consumption of newsprint, where previously we supplied only forty-one per cent. The production ten years ago was something like 3,300,000 tons, whereas today it is 5,200,000 tons. The importance of this in actual dollar value is enormous.

I feel that we have overlooked the importance of this industry in our economy. Tremendous advancement occurred in the two great wars, especially in the latter one. Today more people are reading newspapers and more people are using forest products. World consumption is increasing, and one of the greatest resources Canada has is her forests. There has been an increased consumption of rayons, celanese, wallboard, milk cartons, and hundreds of other articles, all produced from this great resource.

Just as our agricultural fields must be kept fertile, so must our forest resources be preserved by proper scientific methods. I hope I will be pardoned for speaking like this. Along with other members I have spoken in support of our agricultural industry, but I feel that anyone who is interested in the development of Canada should not overlook the vital importance of doing everything possible to protect our forest resources. The greatest need is for protection from fire and insects. Millions of cords of timber are being destroyed annually by insects and fire. I can illustrate this point best by saying that more good timber is destroyed by insects and fires per annum than is used in the whole pulp and paper industry to bring nearly a billion dollars into this country. When you stop and realize the situation, it is so gigantic and tragic that we should not overlook it any longer.

I feel I am consistent in what I say, because a few years ago our former leader emphasized that we should have a national forestry policy, and that we should establish a department to co-ordinate the efforts of the different provinces. I am not speaking politically on this issue, because it far transcends party lines. No matter what government has been in power in past years it seems to me they have overlooked the importance of an over-all national policy to co-ordinate the efforts of the provinces in this regard, in their respective fields.

Someone might ask how I would propose to have the dominion help. The minister knows very well that constructive work has been done and is being done by his department with reference to protection from insects. Nevertheless even if all this money were spent in any one of these ventures it would be very small indeed compared with the great industry that is involved and the tremendous amount of work to be done. Perhaps the provinces might be criticized for not doing as much as they might have. It is important that the Department of Resources and Development study carefully what might be done by way of a national policy. Many companies operating in the forests have extensive road programs running into 300 or 400 miles of roadway. These roads serve to bring out timber, and also serve as a means for transporting personnel engaged in fighting fires and protecting our forests from fire.

It is not much help if in one area there are 200 miles of highway, and only about 40 miles between that area and another company's operations across the border of the limit. One hundred miles of road would link up two systems covering 1,000 miles. Our forest rangers could travel on these roads and be available in case of fires that mean so much to the industry and to the country generally. As everyone will recall, we have had fires that have destroyed hundreds of millions of dollars' worth of virgin timber that might have been saved. The aeroplane has been of great help. While it has been accepted that the provinces should assume the responsibility for our forests, nevertheless Canada cannot afford to allow this great resource to be treated on any other basis than that of the treatment accorded to agriculture, mining, fisheries, and many other industries and enterprises vital to the welfare of our people.

I hope that at the dominion-provincial conference the government will discuss ways and means by which we may have a broader national co-ordinated plan of forest protection from fires and insects. There is every justification for the government of Canada spending several million dollars on a national forest highway policy to connect areas in different provinces and operations within areas. I should like to say in fairness to all classes of society that no industry has got along for a longer period of time and shown greater development with less government assistance than the forest industry of Canada. As you know, what has been spent on our forests by the provinces is infinitesimal compared with the revenues the provinces have collected. We are spending only $2,500,000 or $3 million on a forestry branch involving an industry responsible for 38 cents of every United States dollar produced by all our commercial exports, and an industry that is growing in importance in relation to the general development of the country.

We should realize, Mr. Chairman, that it takes 100 acres of Canadian forest to produce one of the biggest newspapers in the United States every day that the sun rises. There is an increased demand for pulp and paper products. Hundreds of new uses are being discovered almost every decade. Fine papers and other products are being produced in addition to timber and products of heavier tonnage. When you realize that it takes 100 acres every day to print one daily paper in New York, it is evident that we must perpetuate our forests if we are to have a lasting industry. It takes from fifty to sixty

years to grow a tree in the northern parts of our dominion. Therefore a plan must be evolved for the perpetuation of tree growth in order that the industry may operate.

Many of our pulp and paper industries today have twenty-five and thirty year clubs. Some of our companies have workers of the third generation employed. Those of the second generation have never been employed anywhere else, and now the third generation is employed in the same plant. The industry is permanent and stable, but their stability will depend on the protection of their resources, their supply of raw materials.

I believe the department should spend much more money in the protection of the forests from insects. In the Thunder Bay district of Ontario about ten million cords of wood are affected by budworm infestation. Some of you may have gone through the forests and seen the budworms in action. You will hear stories about how the timber should be salvaged. I have stood in the forest and watched one of our sawyers saw pulpwood. I have seen him make seven cuts before he got a log that would scale and for which he could get paid. That will give you some idea whether a man will go in there to cut wood. This area stands there as a stark monument of the budworm infestation.

I am not blaming the department. You have some excellent men, and there are excellent men in the provincial departments. Vigorous campaigns have been carried on in co-operation with the department for the last two or three years, but it seems that there is no way to overcome the situation. Aeroplane dusting and other methods have been employed, but it just seems to be one of those things that it is almost impossible to eradicate.

The control of forest fires and other types of insect infestation such as fungus should be given more study. When you have an industry the size of the Canadian forest industry, one that means so much to this country, it is not nearly sufficient to have in the estimates an item of less than $3 million, in these days when the dollar will only go about one-third as far as it did ten or twenty years ago. The amount of this item has changed very little over the years. It is only something like $133,000 more than last year; and this seems to me to be a glaring example of the failure on the part of the government to appreciate the importance of this great national asset and this important industry.

I urge that careful consideration be given both to highway development and to greater research with respect to insects and everything else that will help protect the forests. Canada is the centre of the pulp and paper industry of the world. The industry is growing, and to realize its importance it is only necessary to look at the records of our exports, at the employment it gives and the income it provides for those engaged in it. I hope the government will consider increasing the expenditure along these lines, and I urge in all sincerity that another year, and especially after another dominion-provincial conference, the government take another look at this new industry, which has shown greater growth than any other on this continent. When we consider that we supply eighty-five per cent of the newsprint requirements of 150 million people to the south, we realize what a great resource this is. If we have not been neglecting it, at least we have not been husbanding it as we should. I do not particularly criticize this department or the minister's stewardship; this has been an oversight of governments for many years; but this industry has doubled in ten years and more than trebled in thirty years, and we should appreciate its importance in our economy. I believe that with greater utilization of our forests, with the discovery of new uses to which these products can be put, this industry can double again and carry on for the next fifty years as one of our great basic industries. We should look upon forestry as we look upon agriculture, because since the beginning of this country they have been the great basic industries; they have been the great sources of wealth; they have provided employment and opportunity for sound investments.

Mr. McLure: I am not going to say anything about historic sites, because everyone knows that my province is the most historic site in the whole dominion. However, when we speak of museums I believe I could locate the first automobile made and operated in Canada. It was made by a parish priest at Rustico, in my constituency. I believe it would be worth looking up, because it was put together and operated a great many years ago.

The estimates for this department amount to something over $26 million. I want to draw to the attention of the minister, as I did last year, the fact that included in this amount is a blank cheque for $2,416,539 for temporary assistance. In other years we could never find out how many temporary employees there were; but after pounding away at this for a long time I am very glad to see that we are now given the number of both temporary and permanent employees. The permanent employees number 575; the temporary employees amount to something around 1,200. There is still another class,

the casually employed, and we do not know how many come within that group. I should like to go one step further, and get more information about these temporary employees. According to the amount being voted they are being paid an average salary of $2,050 per year; and I believe this committee is entitled to know how many it is going to be possible to make permanent. Personally I believe many of these people are useful employees, especially at election time, when we always find a great deal more money being voted for them. I know that in my own constituency over 150 temporary employees were put on before the last election, and we had a hard time to hold them down. They even split their votes. However, we were able to assure them that once the election was over, win, lose or draw, they would be dismissed.

An hon. Member: Were they?

Mr. McLure: Most of them lost their jobs, because the work ended then.

I was going to say that many of these people should be made permanent, and we should be told why all these temporaries are employed. If there is work for them, all the better. It seems to me the administration of this department is a pretty expensive matter, amounting in all to something under $3 million. However, the things I desire to take up can be dealt with as the various items are called, since it is now one o'clock; but I repeat that I believe the committee is entitled to more information with respect to temporary employees.

At one o'clock the committee took recess.

The committee resumed at three o'clock.

Mr. Hodgson: This morning in our deliberations much was said about historical events and all that sort of thing. I can concur in everything that has been said. I agree with my leader that a permanent home should be built for the relics of historical events and achievements so that they may be preserved for the education, benefit and pleasure of future generations.

There are, however, a few other things that I want to go into now rather than on each item. I am not going to ask the minister now to answer questions in full or any part of them as far as that is concerned. He can take the matters up as each item comes along, if he wants to. The matter of travelling expenses has come to my attention, because it seems to me to be a large amount for one department. I am not going into each item, but the amount ranges from $300 up to $34,000. The whole total is $309,150. This is an increase of $70,650 over last year. That seems to be a terrific amount for travelling. I do not know how many people have been travelling or where they have been travelling, but there must have been a great number and they must have travelled elsewhere than in the Dominion of Canada in order to spend that large amount of money.

The next thing I want to mention is the sundries accounts. I think these things should be more specific and that they should be set out so that we would know more about what they are. Probably the minister and his assistants can tell us just what these sundries are as we go along. The sundry accounts run from $100 up to $96,500. That seems to be a great deal of money for an account called a sundries account. The total for the sundries account is $327,354, an increase of $62,490 over last year. It seems to me that in some of these things there might be a saving, or at least they might be set out in such a way that we could understand them better. As we go over the estimates item by item, we hope that the minister will be able to clear up these matters.

Then the publicity account runs into $3,617,834 or an increase of $343,894 over last year. On this one item for publicity more money is spent by the department than is spent on forestry, of which the hon. member for Dufferin-Simcoe spoke this morning. I think that we shall need to have quite a few questions answered, and the minister had better get his assistants or helpers prepared to answer them when we go through the estimates item by item. I want to know about many things, and I am sure that there are others in the committee who feel the same way as I do about these large expenditures and large increases over last year. That is all I have to say now. We will take the estimates up item by item, as far as I am concerned.

Mr. Green: There is one matter to which I should like to refer on this administration item because it really does not come under any one of the specific items. It has to do with the question as to whether or not the government has an iron and steel policy. Today is the first opportunity we have had to discuss the estimates of this new department which, significantly, is known as the Department of Resources and Development. May I suggest to the minister that one of his main tasks should be to initiate policies that will lead to the development and the use of our Canadian resources. That is set out in the statute under which this department was formed. In section 7 (1) of last year's act we find the following language:

> The minister may formulate plans for public works and improvements, housing, community development, research—

And then the section goes on:

—and the conservation and development of the resources of Canada . . .

Then subsection 2 reads:

The minister may co-operate with the provinces and with municipalities in carrying out any development programs.

Subsection 3 reads:

In carrying out his duties and functions under this section the minister may consult with and inaugurate conferences of representatives of producers, industry, science, labour and provincial and municipal authorities.

At this particular time in Canada's history it seems to me that this question of developing and using our resources is of the utmost importance, particularly the new resources which have been recently discovered such as the iron and titanium in Quebec, the iron in Labrador, the oil and gas in Alberta, and also uranium which is so essential for the development of atomic energy.

Mr. Winters: If the hon. member will permit me to do so, I should like to say that I think that this matter would more appropriately be discussed under the estimates of the Department of Mines and Technical Surveys.

Mr. Green: No, Mr. Chairman, I think that the responsibility rests with the Minister of Resources and Development. It is not only a question of mining the iron or these other commodities; it is a question of the development of Canada with these resources, and that comes directly under the minister in the same way that he has responsibility for the trans-Canada highway, which is in reality a development project.

I believe that these new discoveries of natural resources are the most important ones that we have had in Canada since confederation. Granted that it would take some time to work out a policy as to how they can best be used, I think the time has now come when the government should be able to tell the Canadian people what the policy is to be with regard to these resources. The minister himself, speaking at St. Catharines in February of this year, pointed out the great importance of the discoveries of iron ore and oil; and Donald Gordon, the new president of the Canadian National Railways, had this to say last year, on October 13, 1949—

Mr. Winters: I wonder if the hon. member will permit me to say again that this department is not responsible for the development of iron ore, oil or any similar resource that can be depleted. We are responsible for the development of resources of the renewable type. If it were a matter of building roads to facilitate the mining of iron ore or that sort of thing, it might be a different problem. But the development of the ore body, let us say, and the utilization of the ore, is not a function of this department.

Mr. Green: I submit that the minister is responsible for policies having to do with the use of these resources. The very name of his department, the Department of Resources and Development, indicates that. I am afraid the position is that there is no policy whatsoever, and the responsibility comes back to this particular minister.

The Deputy Chairman: I do not know whether the estimates of the Department of Mines and Technical Surveys have been before the committee of supply. I do not think they have. The Minister of Resources and Development has said that it is not his responsibility. I would suggest to the hon. member that he wait and discuss the question when the estimates of the Department of Mines and Technical Surveys are before the committee. Even if in the opinion of the hon. member it should be the responsibility of the Minister of Resources and Development, the minister has twice said that it is not. I do not think we would be saving any time by continuing to discuss these questions.

Mr. Green: Surely, the Department of Resources and Development has some responsibility for the use of Canadian resources. The Department of Mines and Technical Surveys may be involved in the actual mining of ores, but I am not concerned about the mining. What I am worried about is what is going to be done after this iron ore is mined. What is to be done in the way of using the iron ore to produce steel? That certainly does not come under the Department of Mines and Technical Surveys.

Mr. Winters: That is more appropriately a matter for the Minister of Trade and Commerce. I suggest again that it does not come under the jurisdiction of this department.

Mr. Green: I am submitting that the minister is quite wrong. It is a matter of the development and use of our resources, and that certainly comes under his department, in the same way that he is responsible for various resources of Canada. Whatever dominion responsibility there is rests with this minister whose estimates are before us today.

Mr. Mitchell: On a point of order, I may say to my hon. friend that he is in the right church but in the wrong pew. I think he should take the minister's word for it. There will be ample opportunity to make a speech when the question involved is before the

house. I think the hon. member should take the minister's word for it. I think he knows his responsibility.

The Deputy Chairman: I must advise the minister immediately that the point of order he raised is not a point of order.

I understand the hon. member for Vancouver-Quadra is of the opinion that these matters to which he has referred should be within the jurisdiction of the Minister of Resources and Development. It is a matter of opinion. It is a legal question which the chairman is not called upon to decide.

Mr. Green: I was going on to quote a statement made by Donald Gordon, the new president of the Canadian National Railways, in which he was quoted on October 13 of last year as saying:

> There is an obvious feeling in the air which bespeaks a new era of Canadian progress, and in that development, the railroads will have to develop too.

Then he went on:

> The new era's roots lie in Alberta oil, in iron ore, titanium, base metals and numerous other sources.

I think Mr. Gordon's statement was correct, that the foundation for great developments in Canada is available in these resources and particularly in the iron ore. In the speech from the throne of January 26, 1949, we find these words:

> You will be asked to make legislative provision for governmental assistance by loan to the producers of basic steel for the purpose of increasing production.

Mr. Winters: I must rise again on a point of order. While this is all very interesting and true, it is not a matter for this department. Whether in the opinion of the hon. member it is, the fact is that it is not, and these duties have not been assigned to me. I do not think the committee is in order in discussing it under this item.

Mr. Green: Mr. Chairman, you have already given your ruling on this same point of order which was raised by the Minister of Labour a few moments ago.

The Deputy Chairman: Order.

Mr. Green: I submit that the minister is not in order in raising the same point again. There is no other department under which this comes.

Mr. Winters: Mines and Technical Surveys.

Mr. Green: If the name of the minister as Minister of Resources and Development means anything it certainly covers this field, and I submit that I am entitled to proceed. If the minister or the government have any policy with regard to the iron and steel industry—

[Mr. Mitchell.]

Mr. Winters: I did not say that. I simply said that this matter could be more appropriately discussed under the Department of Mines and Technical Surveys. Surely there will be ample opportunity to discuss an item which cannot be properly discussed here.

Mr. Green: I cannot discuss this under Mines and Technical Surveys, because I am concerned with the use that is to be made of this iron ore. It simply does not come under Mines and Technical Surveys.

Mr. Fournier (Maisonneuve-Rosemont): The hon. member says it comes under this department.

Mr. Green: The minister must at least listen to my representations. If he cannot make any statement of policy, that is another matter, but I am entitled to make my submission to him.

Mr. Fournier (Hull): Not under this item.

Mr. Green: This policy should be initiated by the Department of Resources and Development. We have the situation that in northern Quebec the estimates are that Canada will be producing from 10 million to 20 million tons of iron ore annually.

Mr. Winters: Mr. Chairman, surely we should have a ruling on this.

Mr. Fournier (Hull): The hon. member is out of order.

Mr. Winters: Decidedly out of order.

The Deputy Chairman: I think it will be admitted that the chairman has been quite generous. I have tried to see that both sides are treated fairly, and I have tried to arrive at some sort of agreement. The Minister of Resources and Development says that it does not come within his jurisdiction. He has also said that he could not effectively reply to the hon. member's remarks or give any additional information which the hon. member for Vancouver-Quadra would like to have. In these circumstances the hon. member should decide how far he can go on this item. This is the item under which a general discussion about the estimates of the department takes place, but only in so far as it relates to the estimates of the department under the jurisdiction of the minister.

When the minister says that the matter which the hon. member for Vancouver-Quadra is discussing does not come under his jurisdiction, it seems to me that the hon. member should accept that statement; and that the matter could more properly be discussed when the estimates of the Minister of Mines and Technical Surveys are before the committee. If they had been before the committee and had been carried it would be

a different matter, but they have not been carried so far. As a matter of fact they have not yet come before the committee. It is a question which is difficult to settle. To a certain extent it is a matter of legal opinion. What I am interested in is to expedite the business of the committee and also to see that all remarks made are relevant to the items before the committee.

It will be pretty hard to convince some hon. members that what the hon. member for Vancouver-Quadra is saying now is relevant to the item under discussion. The minister has stated three times that it does not come under his jurisdiction. I would ask the hon. member to govern himself accordingly.

Mr. Green: Perhaps I can put it in this way —and, incidentally, I think the minister protests too much—that there certainly should be some jurisdiction in this department with regard to an iron and steel policy. Can the minister tell us whether the government as a whole, of which he is a part, has any iron and steel policy for Canada at this time? If so, what is that policy?

Mr. Winters: Mr. Chairman, I understand the hon. member is trying to be helpful—

Some hon. Members: Oh, oh.

Mr. Winters: —but the fact is that he has talked a good deal with respect to a matter that does not come within the ambit of these estimates. There will be opportunity under the estimates of the Department of Mines and Technical Surveys, which come at the moment under my acting jurisdiction, or under the estimates of the Minister of Trade and Commerce, to give adequate attention to the points he has in mind.

Mr. Drew: Mr. Chairman, I think probably the time taken in arguing this matter has equalled the time the hon. member would have devoted to the subject.

Some hon. Members: No.

Mr. Drew: But I would suggest to those hon. members who seem so impatient in regard to the exercise of free speech in this chamber, that it is not going to facilitate procedure if they become impatient about the estimates—because these estimates are going to be dealt with, and dealt with very carefully. I do submit that there is the very sort of problem here which you, Mr. Chairman, have indicated in what you have said. There are these borderline problems. I would remind hon. members and the minister that this was one of the very difficulties I pointed out, namely the division between the Department of Resources and Development and the Department of Mines and Technical Surveys. I said there would be some doubt as to where the border would be drawn between the two departments.

When the estimates of the Department of Mines and Technical Surveys are examined it will be found that there is no provision in that department for a program of development. This program is important for the purpose of dealing with the general matter of supervising mining, the investigating and mapping of mining areas in this country, particularly in view of the fact that the supervision of mining comes under provincial governments.

In this instance I understand the hon. member seeks to discuss the development of a great resource. Even though in the opinion of the minister there may be some borderline difficulty, and even though the minister thinks it does not come under his supervision in this department, my understanding is that the hon. member for Vancouver-Quadra thinks there should be a provision for a policy of this kind. I would point out to the minister that already in his department there is provision for development of forest resources and water resources in the forest areas and in the Northwest Territories, and the development of different types of resources involved there. I am suggesting that the hon. member be permitted to discuss this subject, unless it becomes apparent that it would be quite out of keeping to do so at this time.

Mr. Harris (Grey-Bruce): Will you guarantee there will be no other speeches on the subject?

Mr. Drew: I will not give that guarantee, if that is what you are concerned with.

Mr. Winters: The question is whether or not we will address ourselves to the item before the committee or address ourselves to random items as they happen to occur to hon. members.

Mr. Green: That is not the situation at all.

An hon. Member: Yes, it is.

Mr. Green: The question is as to whether Canada has an iron and steel policy.

Mr. Fournier (Hull): Mr. Chairman, may I—

Mr. Green: Wait until I make my statement.

Mr. Fournier (Hull): You have made it twice.

Mr. Green: There is a question which must be faced, now. This is not a matter of bringing up something at random; rather it has to do with the resources of Canada, and it certainly has to do with the development of those resources—

Mr. Fournier (Hull): Mr. Chairman—

Mr. Green: —and with the development of Canada. And if—

Mr. Fournier (Hull): On a point of order.

Mr. Green: I am on a point of order now.

Mr. Fournier (Hull): No, the hon. member is trying to discuss the iron and steel policy of Canada.

Mr. Green: If the minister has no item in his estimates dealing with the iron and steel policy of Canada, that does not mean that the subject does not come under his department, or that he is not responsible for it. My contention is that there should be an iron and steel policy for Canada, and that it is a tragedy that there is no such policy. When a question of this kind comes up, and is not faced by the department which should be responsible for it, then we are entitled to make our complaints that the department is doing nothing to deal with the question. That is what I was endeavouring to do. But to brush me off with the statement that the Minister of Mines and Technical Surveys or the Minister of Trade and Commerce is responsible is just as ridiculous as to say that this Department of Resources and Development has nothing to do with an iron and steel policy for Canada. The result of the minister's position today is that the question simply could not be discussed on the estimates.

Mr. McIlraith: Of course it can.

Mr. Fournier (Hull): On a point of order, if the hon. member would look at item 445 in the Department of Trade and Commerce he would see that it is a vote to provide for production and transportation subsidies on steel and iron under such terms and conditions as may be approved by the governor in council. The amount of the vote is two million dollars. Does not the hon. member think, in all fairness, that that is where the matter should be discussed? Would he not defer the argument until we come to that item? I suggest that would be the logical way to proceed—unless he insists on making his speech about iron and steel. But I do not think he would be right in doing so.

Mr. Green: I am not trying to make a speech; I am trying to get a statement from the government.

Mr. Fournier (Hull): But the minister states it does not come under him.

Mr. Green: I am trying to get a statement on government policy with respect to iron and steel in Canada.

Mr. Fournier (Hull): Ask it under that item.

[Mr. Fournier (Hull).]

Mr. Green: If there is any such policy, then the Minister of Resources and Development should be able to explain it to the committee.

Mr. Fournier (Hull): No.

Mr. Winters: That is neither a correct nor a fair statement. I submit it should be discussed under the item brought to the attention of the committee by the Minister of Public Works.

Mr. Green: The item in question is not broad. It does not deal with the broad question of an iron and steel policy for Canada, it deals only with one small subject. If this new minister is to face his responsibility as Minister of Resources and Development, then he must be prepared—

Mr. Winters: As assigned to me by the Prime Minister. I do not face responsibilities assigned to me by the hon. member for Vancouver-Quadra.

The Deputy Chairman: I believe I have heard sufficient representations to make a ruling. We cannot carry on this legal and academic discussion throughout the afternoon. Item 358 is now before the committee, and it deals with departmental administration of the Department of Resources and Development. I have looked at the statute and, as the minister has pointed out several times, the matter of an iron and steel policy does not come within his jurisdiction. The Minister of Public Works has told us that this subject could be discussed under item 445, and that is where I say the discussion should come. Furthermore there is the administration item of the Department of Mines and Technical Surveys which has not yet been before the committee. In all fairness I do not see how the hon. member can continue to discuss this matter under this item, especially when he will have an opportunity to discuss it under the first item of the Department of Mines and Technical Surveys or under an item of trade and commerce which has not yet been called.

A general discussion of matters that come within the ambit of the department is allowed on the first item and I think I have been generous in granting latitude to the hon. member for Vancouver-Quadra. We cannot go on forever arguing whether or not this matter should be discussed here. I am informed, and I am satisfied, that this matter could be discussed at another time and I ask the hon. member not to discuss further the matter of government policy in connection with iron ore or steel.

Mr. Diefenbaker: I have a question I should like to ask the minister. Just as a passing observation may I say that it appears difficult to get a declaration from any minister of the government with regard to the development

of our natural resources. Did not the minister discuss the development of our natural resources in two speeches, one delivered in Toronto and the other in Montreal? Did he not enunciate a great system of development to aid in the expansion of this country?

Some hon. Members: Order.

Mr. Diefenbaker: Order?

An hon. Member: Yes.

Mr. Diefenbaker: You know nothing about order. I am asking the questions. Apparently some hon. members think that by making a noise and by howling they are making an intelligent contribution, but I tell them that they are not going to stop the discussion of these items.

Mr. Gauthier (Portneuf): That is very clever.

Mr. Diefenbaker: You are not one of those in that position.

Mr. Gauthier (Portneuf): I hope not.

Mr. Diefenbaker: I am asking the minister what happened to that policy which was enunciated when he spoke in Montreal and Toronto. Sometimes we have to read statements made outside the house in order to find out what government policy is going to be. I was much in accord with what the minister said and I am sure the Canadian people read his remarks with interest. But I would like to have the minister enunciate those plans in the house, plans which to say the least are ephemeral until they are discussed in the House of Commons.

I am not arguing whether my hon. friend has the right to discuss iron ore or steel, but I would like the minister to enlarge upon the remarks he made in Toronto and Montreal. The Canadian people want to know if Canada has assumed responsibilities under the North Atlantic pact as was evidenced in press dispatches of the last few days dealing with a meeting in London. The Canadian people want to know to what degree Canada's resources are to be utilized and its development expanded to the end that we may assume our responsibilities under that pact.

This department was set up to deal with the development of our resources and Canadians as a whole should know what we are going to do in regard to the production of minerals and other war materials which will be needed in the event of defence becoming necessary. The United States resources of oil, iron and many other requirements for defence are rapidly being diminished and are passing out of existence. The only country of the north Atlantic group that can supply many of the materials that will be necessary to the composite defence of the members of the North Atlantic pact is Canada. I should like to hear the minister speak with the same authority, the same vision and the same challenge to the Canadian people that he evinced when he delivered the two speeches to which I have referred.

Mr. Winters: Mr. Chairman, I do not believe that that is a sound argument as to why I should go outside my jurisdiction in this House of Commons. It is true that I have made speeches in various parts of the country dealing with different subjects. For example, I represent a fishing constituency and whenever I get a chance I speak about fish, but that does not mean that I can discuss fish in this house when we are dealing with the administration item of the Department of Resources and Development.

I give the undertaking that hon. members will be able to discuss this matter more appropriately at another time. Surely it is a matter of timing and in the interests of expediting the work of the house I suggest that hon. members address themselves to what is before the committee and what is within the jurisdiction of this department.

Mr. Mitchell: Mr. Chairman, you ruled me out of order but I find that I am now in order.

Mr. Thomas: Mr. Chairman, I want to say just a few words this afternoon to add my voice to what was said this morning about the problem of reforestation. I realize that this matter comes under the jurisdiction of the provinces, but I submit that the federal government has not taken an active enough part in a matter that concerns the lifeblood of our civilization. It is estimated that up to the present time at least fifty per cent of our forests have been depleted and that fire and insects are destroying 800 million cubic feet of timber per year. Then I should like to stress that 900 million cubic feet per year are being lost through wastage in the industry.

Many hon. members may wonder why a member from a prairie province should take an interest in this particular matter, but I would point out that more than three-quarters of Alberta is covered with timber of one kind or another, some good, some not so good. There are something like 59,000 square miles of marketable timber in Alberta and there are something like 400 permanent and over 300 portable saw mills in operation.

Considerable lumbering is carried on in the western half of my constituency around Breton and Winfield. Last spring while

travelling through that country I saw literally hundreds of fires. Those areas will be ruined for all time unless some reforestation is carried on. As was pointed out this morning, lumbering is of infinite value to the Canadian economy.

However, there is another matter that is possibly even more important. That is the fact that forests exercise a strong measure of control over the amount of run-off and flood conditions. Possibly the best example to which I can refer is China. When Marco Polo went to China he described it as a land of forests, rich pastures and rich soil. During the course of the years the trees were cut down for one purpose or another and the land was over-grazed. No effort was made toward reforestation or reconversion of the land. The upper reaches of the rivers gave forth torrents of water causing floods up and down their courses. Silt and gravel were carried down into the lowlands. Erosion set in over huge areas of land, and many thousands of square miles were ruined. In some periods they would have floods and in other periods droughts.

To come a little closer home, there is the Mississippi river basin in the United States. It has been discovered that through the creation of tree belts in dry areas partial control at least can be exercised over the flood situation along the Mississippi river. What has taken place there could quite easily take place here. Students of civilization have found that where land goes to waste civilization declines. Many notable examples can be cited such as North Africa, the Middle East and China, to which I have already referred. They are major examples of what happens. We have in Canada a few minor examples of dried-out areas where people are living a subnormal existence. Let us get together and see that we do not have any such examples here. I strongly urge the minister to take up the matter with the government for the purpose of extending much more assistance to the provinces in the matter of reforestation.

Mr. Fraser: As to this item, I had a return tabled on April 19, 1950. The first question had to do with what departments of the federal government have information and publicity divisions. The second was as to how many employees there are in each of these divisions. The Department of Resources and Development answered that publicity for the administration branch cost $4,670. I notice in the details on page 246 there is one item of $10,000 for publicity and information under the first item of departmental administration. I should like the minister to explain that to me, and also why he did not include in the return the travelling expenses of the other branches of his department.

Mr. Winters: I gather the question is why we are showing $10,000—

Mr. Fraser: Why was that not shown in the administration section of the return to which I have referred?

Mr. Winters: The amount referred to in the return was the amount spent last year. The $10,000 is the amount estimated for this year. That does not mean we will spend the money. It is just an appropriation to cover what may be spent.

Mr. Fraser: There was $10,000 in the estimates for last year. How did you come to put that $10,000 in there when you had nothing to go on so far as your publicity and information service is concerned?

Mr. Winters: That is just an estimate. I should remind my hon. friend of what he already knows, that the Department of Resources and Development is one of those that resulted from a split of two other departments. That amount was put in the estimates for publicity at that time but that does not mean of course that it will be spent. It was an estimate at that time, but it is receiving very close scrutiny at the present moment.

Mr. Fraser: It is hard to follow the minister because under printing and stationery the amount in the estimates for 1949-50 was $9,700 but for 1950-51 it has jumped to $15,000. Can you explain why that should be? The item is exactly the same. The minister has explained that it was not all spent.

Mr. Winters: On the split, $9,700 was the amount taken over by this department. It was found that it was too low, and it was estimated that an amount of $15,000 would be required for this year.

Mr. Fraser: The minister said that was too low. How much of that was spent last year?

Mr. Winters: About $25,000 was spent by the three departments, and of that amount $9,700 was assigned to this department on the split.

Mr. Fraser: The $9,700 was all spent?

Mr. Winters: Yes.

Mr. Fraser: And still you say it is not enough and that is why you have raised the amount.

Mr. Winters: This year we think we will need to spend more.

Mr. Fraser: Does your department employ any commercial advertising agency?

Mr. Winters: Yes, in the Canadian government travel bureau. But not in the other branches of the department.

Mr. Fraser: There is no other outside commercial agency?

Mr. Winters: That is right.

Mr. Kent: I wish to make a few remarks about national parks. When the departmental item was called this morning I was out of the house attending a committee meeting. I will have to leave again shortly, and therefore my words are going to be brief indeed. I assume the time will arrive in the near future when the possibility of establishing national parks in Newfoundland will come under consideration. I should like to draw the minister's attention to a couple of locations on the west coast of Newfoundland in my riding of Humber-St. George's which I think might receive consideration. My constituency has been described by a former prime minister of Newfoundland as the garden of Newfoundland. There are many places where national parks could be established. I particularly wish to mention the Serpentine area and the upper Humber. The valley of the Serpentine river is renowned both in Newfoundland and outside for its beauty. Standing on the well-wooded hills overlooking Serpentine lake and river one beholds a panorama of beauty. As I understand a national park it is a place where travellers, visitors or tourists may drive off the highway, enter and relax. To my mind the Serpentine area is ideal for this purpose, and the same remarks would apply to the valley of the upper Humber. These areas abound in wildlife of all kinds, including caribou, moose, wildfowl, and so on. There are other similar places in my riding as well, but all I wish to do is draw the attention of the minister to these points and to my riding in general, so that when the time comes to consider the establishment of a national park the west coast may not be forgotten. I feel sure Newfoundland will be treated well, that it will be surveyed and the most suitable place for the park selected.

Mr. Winters: Possible sites for national parks in Newfoundland have been under consideration and study by officials of the department. At the present time one of our officials is on his way back to Ottawa after conducting a survey of the Serpentine area to determine its suitability as a national park.

Mr. Black (Cumberland): I should like to direct one inquiry to the minister. Though it is not covered by any particular item, I know it has his personal blessing and the blessing of the department and the government. I refer to the possible tidal development at the head of the bay of Fundy, which was brought before this house by the hon. member for Westmorland. At that time the minister gave the assurance that a survey would be made. I understand that a survey has been made, and I should like to know if the minister is prepared to make a report. This is one of the greatest tidal development possibilities in the world; it is calculated that more power can be produced there than in the international section of the St. Lawrence river. It is estimated that the power available will amount to 2,300,000 horsepower. Is the minister prepared today to report on the position at the present time?

Mr. Winters: I am well aware of the interest my hon. friend has in that project, which has tremendous potentialities. It involves the use of the great tides in the bay of Fundy. The particular one to which he has reference would require both a low water basin and a high water basin with an average head, I would imagine, of from twenty to twenty-five feet over the twenty-four hour period. Mr. W. A. Melanson, of whom we have heard in this house before, wrote a report on this development, which I have read. It really was not an engineering treatise, but was more of a general treatment; so we sent one of our departmental engineers from Halifax to discuss the project with Mr. Melanson and make a general survey of the area. That has been done; the matter was discussed with Mr. Melanson, and the engineer flew over the site my hon. friend has in mind at the moment, as well as the other site where the Petitcodiac meets the Memramcook. As yet he has not sent in his report, at least it has not come to my attention.

Mr. Black (Cumberland): I thank the minister for the information he has given, though it is still very indefinite. I want to point out how important it is that a decision be arrived at as soon as possible; for this proposal is in conflict with the suggested Chignecto canal, which is being urged so diligently by a great many people in the maritime provinces, and is also in conflict with the reclamation of the largest portion of the marshlands in Nova Scotia. If this tidal development is proceeded with, it will mean that another, though equally effective, plan must be drawn up with respect to the marshlands. That is why I point out that it is doubly urgent that a decision be arrived at as soon as possible.

Mr. Higgins: I should like to endorse the plea of the hon. member for Humber-St. George's with respect to a national park in the area he mentioned. In my opinion that is the most suitable area in Newfoundland.

Unfortunately it is not in my riding, but that is where I believe the park should be established. I notice that according to the estimates this vote has been cut by $1,178,872, from which it would appear that it is not intended to do very much this year. I believe some $50 million have been spent on national parks in Canada, of which I understand some $30 million has been spent in Alberta. I do not know how much you would expect to spend on a national park in the newest province if you should decide to establish one, but it will take a considerable amount of money, and I suggest that an item be placed in the estimates very soon.

This brings me to my next point, in connection with the trans-Canada highway. I take it the idea would be to put that highway through the national park, or at least have it go to the park. I do not know whether the minister is prepared to tell us anything today about the proposed trans-Canada highway in Newfoundland. If he is not, I shall not embarrass him by asking the question, but it has been announced that some changes have been made and that the provincial minister of public works has agreed to them. I was wondering if the minister could tell us what those changes are.

My next question has to do with a water power survey, which I understand comes under this department. Has any application been made by the province for a water power survey, and, if it has, was it agreed to or turned down?

My last question has to do with the development of the tourist industry in my province. I understand the gentleman you call Mr. Travel of Canada will be going to Newfoundland shortly, and we are hoping for great things as a result of his visit. Through the minister, however, I would ask the government to assist in every way in developing the tourist industry in Newfoundland, because we need a great deal of help to make up for the unfortunate results of things over which we had no control so far as the development of our tourist industry was concerned.

The Deputy Chairman: Order. It seems to me the last three speakers have asked questions which would come under specific items. Matters relating to the trans-Canada highway, for instance, would come under item 394. Parks and historic sites would come under item 365, and water power projects might properly be discussed under item 360. If the general discussion is finished I think item 358 should be carried and specific questions asked on the particular items.

Mr. Higgins: The only reason I asked those questions was that I have to go to a committee meeting at four o'clock.

[Mr. Higgins.]

The Deputy Chairman: I can appreciate the hon. gentleman's position, but the rules do not provide that hon. members may ask specific questions on the general administration item just because they have to go to committee meetings. It is unfortunate, but I must abide by the rules.

Mr. Drew: Mr. Chairman, I have one subject to which I wish to refer.

Mr. Winters: In that case, I wonder if the leader of the opposition would allow me to answer the questions which have been raised?

Mr. Drew: Certainly.

Mr. Winters: The trans-Canada highway project in Newfoundland is one that I hope will come to a head shortly. It was suggested here this morning that the first work should be on a road from Gander to St. John's on the east and from Port aux Basques to Corner Brook on the west. With that I agree. I hope that if and when the agreement is completed, Newfoundland will see fit to proceed on that basis.

Reference was made to the policy as to the trans-Canada highway going through a national park. That situation occurs, of course, in some of the western provinces, in which case the federal government pays the total amount of the costs of building the trans-Canada highway.

The question was asked whether we had been asked by the government of Newfoundland to undertake a water power survey. To my knowledge, and since my time in this department, there has been no request from the government of Newfoundland; but we have entered into an arrangement with Newfoundland for the normal stream surveys involving water flows and that sort of information. These surveys are going forward now in co-operation with the government of Newfoundland.

Mr. Drew: The subject that I wish to discuss is one which admittedly embraces the activities of different departments, but it relates to a definite responsibility of this department. For that reason I believe it is appropriate to bring it up for consideration on this first general item, because I do not know that there is any one department to which it could more appropriately apply. The subject to which I refer is the manner in which the problem that has been presented by the flooding in Manitoba is to be dealt with.

Mr. Winters: Would that not be more appropriately discussed under the heading of the international joint commission under the Secretary of State for External Affairs?

Mr. Drew: No, Mr. Chairman; not the aspect that I propose to deal with. I would point

out that the Department of Resources and Development has a direct interest in this problem through its interest in the National Housing Act and the effect of these floodings on its own interests in that area. There is also the question of the waterways involved, because this department is already making surveys of other waterways. It is for the reason that these two subjects come directly under this department that I believe it would be appropriate that I make certain observations now, recognizing as I do that a number of related subjects are obviously at the present time outside the field of this department.

I wish to place before the government my belief that some new approach should be made to the over-all problem that is faced today in Manitoba. First of all may I make it quite clear that in any remarks I make I am certainly not suggesting that there should be the slightest attempt to override the executive jurisdiction of the provincial governments over municipal law and municipal administration. Nor am I suggesting that the plans that should be developed would at any time fail to recognize the authority under the British North America Act of the provincial or municipal elected bodies and their administrative officials. There are, however, reasons why, it seems to me, I should place this suggestion before the minister now, so that if the government finds that it can agree with the proposal put before it, there will be time to bring it into effect.

There has been a certain amount of discussion of the question whether this great disaster, affecting not only the city of Winnipeg but also the tremendous area from Winnipeg south to the border of the United States, should be dealt with entirely by the provincial government or by some combined organization within the provincial area, or whether there should be some direct intervention by the dominion government. I believe that it is necessary that a bill be introduced in the House of Commons—I suggest it would be appropriate that the Minister of Resources and Development introduce it, having regard to the concern of his department already with this question—so that provision which does not now exist might be made for effective co-operation among dominion, provincial and municipal authorities in dealing with this complex question.

When it is said that this is entirely a provincial matter—and I qualify that by making it quite clear that the Prime Minister stated that the dominion government intends to accept responsibility for the financial aspect of the problem—when it is said that it is a matter that should be be handled entirely within the province, it should be pointed out that the dominion government is irrevocably involved in this whole question now, and that it cannot divest itself of the direct responsibility and the direct interest that it already has on a large scale.

It is my opinion—and I believe it is shared by everyone else who has seen that area—that this is the greatest disaster of the kind which has ever occurred on this continent. It is nothing but a miracle that there was no substantial loss of life as a result of the floods. But although there was not a large number of deaths—and all of us will rejoice in that fact—we have seen nothing comparable with the damage to this large city itself and to the country stretching more than eighty miles to the south.

My own impression is that the extent of the disaster will not be known for some considerable time. The unhappy truth is that many people will hardly be aware of the extent of their own losses until the water has receded and they can determine not only the damage to their houses, their furniture and other belongings, but also the immense amount of work which will be required to restore the land around the house, to remove the wreckage and to repair the erosion that has taken place in areas where a heavy current has been running continuously for weeks.

I would point out that the dominion government is deeply and directly committed in several ways. For instance, it has direct interest and direct obligation under such legislation as the National Housing Act, the Veterans Land Act, the Central Mortgage and Housing Corporation Act and related legislation.

A great many of the homes, still largely under water even at this date, in the flood area of Winnipeg, are homes where these direct interests of the dominion government are substantially involved. Moreover, in the great area to the south of Winnipeg the dominion government has a direct concern under the Prairie Farm Assistance Act, and other legislation which affects the rural areas.

There is another way in which the dominion government comes directly into this. The Red river is a navigable stream; so also are some of the other rivers concerned. For that very reason they come under the authority of the dominion government, and the working out of arrangements in connection with these rivers would, I submit, come within the scope of the responsibilities of this department.

There is another aspect to this problem. In both the Red and the Souris, which empties into the Assiniboine, the waters rise on the United States side of the border. Therefore, since they are international waters, those waters can only be dealt with effectively by

the dominion government. In the period of reconstruction that will follow the arrangements that are made to deal with this situation, it will be necessary to have regard to the international aspect of this whole question, and it will be necessary for the dominion government to bring into operation the machinery of the international joint commission, and also to take care that on the Canadian side of the border whatever is done is done in conformity with the international arrangements.

Furthermore, it will be necessary for the Canadian government to take such steps as are appropriate to persuade the federal government of the United States, and through them the state governments concerned, that certain things should be done if an examination should determine that there are things to be done on the other side of the international boundary.

I submit that with all these direct interests and responsibilities of the dominion government involved it is essential that there be some general authority which can bring together dominion agencies concerned, whether they be departments of government or agencies of government, and also the provincial government within its own field and others who are concerned with this work.

May I emphasize again that in setting up any such authority I would be very insistent that there should be no attempt in any way to invade the field of provincial jurisdiction under the British North America Act. However, that is not necessary because if this agency is created it can bring the provincial and municipal authorities into a joint plan which would make it possible to deal with the whole broad question without always being uncertain as to how the various rights of the dominion government were to be dealt with when they arose in these areas.

As the minister knows from having seen this area personally, it is going to be a heartbreaking experience for many thousands of people. The exodus of people from the city of Winnipeg, involving some 110,000, is the largest movement of people out of any city in our history. We probably would never have expected that even in war it would have been necessary to contemplate the movement of people out of any city in such numbers as that. That movement, made necessary by the threat which was so gallantly met by the people of Winnipeg and of the surrounding country, has of course imposed tremendous financial obligations on all the people who are affected; and those financial obligations are going to be very severe, quite apart from the personal losses which are involved in connection with damage to the property itself.

The question arises as to whether it is not essential also that there be some way in which this great return movement can be handled by the dominion government; and also whether it may not be necessary, in co-operation with the provincial and municipal authorities, to be able to establish in regard to reopening of property certain provisions that relate to the safety of the buildings, from both structural and health considerations, and the very important consideration of the state of electric wiring in these houses which have been flooded for so long. All these are things that would seem to require some authority that does not now exist.

I suggest to the minister that, in the light of this experience but not solely for the purpose of dealing with this particular disaster, it would be wise to introduce a very simple act, which could be dealt with at this session, to provide that in the case of what may be regarded as a national emergency it will be possible to declare such an emergency a national emergency; and under these circumstances to set up an agency which will be able to co-operate with the provincial and municipal bodies, all voluntary organizations, as well as to co-ordinate the activities of the various departments of government concerned.

With such legislation it would be possible for the dominion government to bring together representatives of all these departments which have these various interests, and fully respecting the provincial and municipal jurisdiction, to bring into effective co-operation the representatives of the municipal bodies. May I at this point say, what I am sure everyone has found who has had contact with them, that the municipal councils —and there are many concerned—and the agencies that they have created have done a truly magnificent job of which every Canadian should be proud. This was a great example to the whole of Canada, because rapidly improvised methods found the full support of every citizen.

One of the things which were constantly emphasized in the discussions on this subject was the spirit of the young people, who worked day and night in their fight against flood waters, and who contributed such a tremendous effort, because of their physical strength, to the building of the dikes and the maintenance of the various structures that actually succeeded in holding back the floods, and protecting great areas of property which otherwise would have been very badly

damaged and some destroyed. It has been a great example and a great co-operative effort of unselfish people, because probably the majority of those doing this very heavy work day and night were not those who were directly affected at the moment by what was happening in their own homes.

Because of that it does seem that those of us who in this chamber represent all of Canada should do everything we can to recognize the spirit that was shown; and one of the things which certainly should be in the mind of each of us is that when these people return to their homes to find the walls damaged, the foundations weakened, probably a considerable part of the interior structure such that it must be removed, their furniture and house fittings badly damaged, they will need encouragement and some measure of certainty as to what they are going to be able to do to restore their property. While they have been assured that they will receive support, as yet that has not taken sufficiently definite form for them to know exactly what they can do and to assume the commitments which will be necessary in order to restore their homes and their farms, or whatever property may have been affected by these floods.

I do not want my remarks respecting my suggestion about the introduction of legislation to affect one way or another what I say about the necessity for some early decision, because that is quite independent of whether legislation is introduced or not. I submit that what is essential, now that the flood waters are falling fairly rapidly, is that at the earliest possible moment they know, in as exact terms as possible, what they can expect, so that they may plan for the future.

Thousands of veterans and others who have committed all their savings to these homes, which have been built under various plans or through their own personal arrangements, have all their savings involved. They are not going to be able to start to rebuild; they are not going to be able to put in furniture and other things which have been destroyed unless and until they know, in reasonably exact terms, what they are going to have for that purpose.

The calendar itself demands very early action. This is a tremendous reconstruction job not only in the city of Winnipeg, but in the whole of that great area south of Winnipeg extending to the United States border. It is going to impose great demands on those skilled in construction work. It is going to impose great demands on electrical supply and other establishments. It is going to impose great demands on the health authorities. It is going to impose great demands on the various public works organizations of the provincial and municipal governments.

Unless a start is made on a broad scale immediately it will not be possible to complete this work by the time the snow comes later this year. Every effort should be made to get ahead with it as soon as possible. Splendid plans have been completed for proceeding with the work—for examining houses, to see whether they are strong; for checking houses as to the condition of wiring; for cleaning them out, and for certifying as to their health conditions and making sure that there is no danger of epidemics through the reoccupation of those homes. All that is ready to proceed, but it will all depend upon knowledge of what is to be done.

In this I am basing my remarks upon conversations with officials of various municipal bodies. They are greatly concerned about how the whole problem is to be met and what the financial arrangements are to be, so that they may make the necessary commitments just as soon as possible to proceed with this work as the water recedes.

I do not intend to extend these remarks further, beyond saying again that I urge consideration of legislation that would make it possible to deal with this by some dominion agency which would bring together, on a voluntary basis and in effective co-operation, all the departments of the dominion government affected, the provincial and municipal authorities, and all those splendid voluntary organizations such as the Red Cross, the St. John Ambulance and other bodies of the kind which have done so well and have rendered such magnificent service.

Then again there is the immediate and urgent need for a decision as to what will be paid in both urban and rural areas, so that plans can be made to get ahead with this work just as soon as possible. In the cities and towns it is a case of rebuilding. Over a great part of the rural area it is likely that they will not have crops this year. They have lost their feed grain; they have lost their seed grain; they have lost large numbers of animals. Then, on top of all that, on the farms it is not only a question of the reconstruction of homes but one involving the enormous undertaking of rebuilding roads, restoring bridges and culverts, digging out silted areas, and generally restoring transportation facilities in the parts now flooded.

I have raised the question at this point because of the interest of the minister in some parts of it, but recognizing that this is a decision which the government as a whole must make. I also recognize the fact that

the minister himself went to see what the problem was. I feel I am not assuming too much when I say confidently that every member of the House of Commons will wish that whatever can be done for these people shall be done just as quickly and as effectively as possible.

Mr. Fulton: I should like to make a request which concerns most of the subsequent items in the minister's department. Reference has been made to increases in details common to every item. I refer to travelling expenses and sundries. I would ask the minister, before we reach a discussion of details of the estimates, whether it will be possible to have the details I have indicated, including the figures for actual expenditures for the fiscal year ended March 31, so that we may compare what was spent last year with what is being asked for this year.

Mr. Winters: Yes; we have the figures showing actual expenditures last year in respect of each item.

Mr. Black (Cumberland): I would ask the minister for information respecting the details in these items. I find provision for editorial costs sufficient to run most of the newspapers in this country. Here are some of the positions:

1 chief, editorial and information division..	$5,280
1 editor, grade 3	3,960
1 editor, grade 2	3,540
1 editor, grade 1	2,880
2 assistant editors: one at $2,580; one at $2,550	5,130

Then in addition there are other administrative officers, stenographers, clerks and so on. Most of these positions are new and I think the committee is entitled to an explanation.

Mr. Graydon: With all these editors it looks like a newspaper office.

Mr. Winters: By way of general explanation to the hon. member for Cumberland I would say that this department results from the reconstitution of two other departments and naturally in the reshuffle many of the positions went with one or another department, while some new positions had to be set up as are shown in the estimates at this time. If the hon. member has any particular item in mind I shall be pleased to explain it.

Mr. Black (Cumberland): Does the minister state that all these editors are necessary?

Mr. Winters: Most of these positions were in the old department of mines and resources and are now in this department. The editorial staff is considered necessary for the editing of the many publications got out by the department. For example, the parks branch and the forestry branch issue many publications which are considered to be in the public interest.

Mr. Noseworthy: Could the minister make a statement with regard to the original wartime houses that were turned over to Central Mortgage and Housing Corporation? What is the average amount per house that has been spent to make these houses permanent? What number has been sold and what number remains unsold? What price is being asked for those still unsold?

Mr. Winters: If the hon. member has no objection I should like to deal with those questions when we are discussing the item on housing. There are two items dealing with housing, one covering loans and investments, and then there is another direct vote.

Mr. Hodgson: I notice from the details that there is a new position, director of administration. Is that a transfer from one department to the other?

Mr. Winters: That is simply a change in title; it is not a new position.

Mr. Fulton: How many publications were issued by the department last year?

Mr. Winters: I do not have the exact figure, but I am informed it is something over 100.

Mr. Fulton: Would that be the total number of publications or would there be magazines going out every month?

Mr. Winters: One hundred different publications. We issue technical data from time to time on research matters, and then the parks and forestry divisions and national museum put out publications dealing with a wide variety of subjects. In all they total up to at least 100 publications.

Mr. Fulton: Would it be possible between now and the time we conclude with these estimates for the minister to furnish a list of the publications put out in the last fiscal year?

Mr. Winters: I will undertake to get that information. If I cannot have it by the time these estimates are concluded I shall send it to the hon. member.

Mr. Hodgson: The total travelling expenses for this department are $309,000, with $7,000 for the administration section. Could the minister give us the details of that item of $7,000?

Mr. Winters: That would cover the travelling expenses of the minister, of the parliamentary assistant, of the deputy minister, of the secretaries and of everyone that would come under this general administration vote.

Mr. Hodgson: How much of that $7,000 was spent last year?

Mr. Winters: The total amount spent last year was $12,982.61.

Mr. Hodgson: You overran your vote last year by $5,000, nearly double?

Mr. Winters: It is difficult to sort these out because three departments have resulted from two old ones.

Mr. Hodgson: Your vote last year was $7,000, and $12,982 was spent.

Mr. Winters: If you prorated it for last year the amount relating to the Department of Mines and Resources would be $7,000.

Mr. Knowles: I understood the minister to say that some of this was for travelling expenses of the parliamentary assistant. I have no grudge against parliamentary assistants but I am concerned about their technical position. I would point out that item 178 provides for additional salaries for the parliamentary assistants and it goes to the length of stating that they can get this money notwithstanding the provisions of the Consolidated Revenue and Audit Act and the Senate and House of Commons Act, and so on. In the one experience I had of travelling on government business when I was sent over to the United Nations an order in council was necessary so that my expenses could be paid.

Mr. Hodgson: You are sitting with the opposition.

Mr. Knowles: I imagine other hon. members have had the same experience. I would not want the parliamentary assistants to lose their seats because they are getting money that they should not be getting. I might want them to lose their seats for other reasons.

Mr. Winters: The travelling expenses of the parliamentary assistant come within this administration vote.

Mr. Knowles: I will not pursue it much further, although I may seek information from different sources, from the Auditor General for example. I am simply wondering why it is that the salaries of the parliamentary assistants must be provided for by a special item so that they will not lose their right to be members of parliament by accepting this money. Why is it, when a member is sent on a trip on government business, that there has to be an order in council to make sure that he can get the money without losing his seat in parliament, and yet here expense money can be paid without any such provision being made?

Mr. Green: Why was it necessary to increase the staff for departmental administration from 93 to 122? When there were additional departments established last year we understood it would mean each of the new departments would be smaller. Here we have an increase from 93 to 122.

Mr. Winters: A number of people were brought under administration who previously were in other branches of the department or in the departments that were split up to form this department. Here again it is very difficult to compare directly. What we have tried to do is to make the best breakdown we can for 1949-50 and show against it the number of people employed for 1950-51.

Mr. White (Middlesex East): Mr. Chairman, the discussion has ranged all the way from national historic sites to iron mining and back again. There are one or two observations I should like to make as a result of the remarks of the hon. member for Dufferin-Simcoe. I refer to the enormous waste of our forest resources by forest fires. In the province of Ontario if I do some damage when driving my motorcar I am held liable for it. It would seem to me that more thorough investigation of forest fires should be carried out, and where it is possible to fix the blame the person responsible for the damage should be made to pay for it. There would not be as much carelessness in starting fires or careless use of inflammable materials causing this great loss throughout the nation. I also think a greater amount of research and investigation should be carried on as to insects and fungus diseases attacking our forests. May I say that a celebration is to be held this summer at what was once known as Fairfield village in southwestern Ontario, which is now a national historic site. It is planned that the President of the United States, the Prime Minister of Canada and other dignitaries will be present to commemorate Fairfield village. I should also like to mention the name of a former member of the house, John R. MacNicol, who was most interested in Fairfield village and devoted a lot of time and work to it.

Item agreed to.

Development services branch—

Water resources division —

360. Water resources division, including the administration of the dominion water power and irrigation acts, and including grant of $350 to the international executive council, world power conference, $541,766.

Mr. Lennard: Some time during the discussion of the estimates I wish to raise the question of the serious erosion taking place along the shores of the great lakes. I rise now to ask the minister whether it comes under his department or that of the Minister of Public Works.

Mr. Winters: It does not come under the jurisdiction of this department. As I understand it, that is a matter for public works.

Mr. Fulton: I should like to ask the minister whether the administration of the Dominion Water Power Act and that of the Irrigation Act come under his department.

Mr. Winters: They do.

Mr. Fulton: Section 11 of the Dominion Water Power Act states:

> All investigations and surveys and all undertakings shall, subject to the control of the minister, and for the purposes of this act, be under the direction of a duly qualified officer to be designated the "director of water power."

That is in the revised statutes of 1927. It is possible there has been an amendment to the title since then but I could not find it. Is that the name under which that officer is still known or is there a change in it?

Mr. Winters: He is known now as chief of the water resources division.

Mr. Fulton: Then he is the man who is No. 1 in the details of this item at page 247.

Mr. Winters: That is correct.

Mr. Fulton: Is he a member of the Fraser river basin board, or is there anyone from this branch on that board?

Mr. Winters: It is either he or one of his staff.

Mr. Fulton: Mr. Chairman, the Fraser river basin board was appointed after the Fraser river flood of 1948. From time to time we have asked questions in the house as to the progress being made by the board. The latest report I have was sent to me in a letter dated May 12 by the Minister of Public Works. The report was dated March 8, 1950, but it is entirely an interim report. At this stage I will not weary the committee with any of the details but I will say that it is entirely an interim report. Although the board has been constituted now for a year and a half it makes it clear that it is unable to make any specific recommendations. The work has not progressed to that extent. From time to time I have had conversations about this matter with the Minister of Public Works, a member of whose staff is also on the board.

I think I would be fair in saying as a result of those conversations that it appears —and I think it is borne out by the fact that we have not got any further than the stage of an interim report so far—that no department of the federal government has taken this matter completely under its wing to push it along so far as the dominion is concerned. Would not the minister consider it appropriate, since the water resources division is under this department—and I am not in any sense trying to cast aspersions on any other department—that the federal side of the Fraser river basin board be placed squarely under his department and that he be given charge of the matter in so far as the federal interest is concerned?

Mr. Winters: The Minister of Public Works now has the responsibility for federal operation in that field. I am sure he and I can discuss the point raised by my hon. friend and give it consideration.

Mr. Fulton: I hope the minister will do that. I should like to make one other observation in this connection. As I say, I am genuinely not trying to raise an issue for the sake of making difficulty. I think that if progress is to be made in this matter it might more properly come under the Department of Resources and Development. I do not want to take up too much time in discussing floods or the possibilities of floods in British Columbia when there are at the present time floods and other disasters in other parts of the country. I will not go any further at the present time than to say this. The possibility of floods in the Fraser river system in British Columbia is still present at this moment, and has been causing a great deal of concern to those who remember what happened only two years ago. The suggestion put forward in connection with flood control for the future is that a survey be made of the whole river system, which in this case is entirely within Canada, with a view to putting up dams or reservoirs at the headwaters and source lakes of the system, and that the whole project be carried out having in mind the possibility of developing a joint flood control, irrigation and power development scheme.

All these aspects are covered in this interim report, and for that reason I say that if this aspect is to be put forward particularly the matter which would fall more properly under the Department of Resources and Development, working in conjunction with the provincial authorities, might then become a matter for the Department of Public Works. So I I hope the minister will have those conversations with the Minister of Public Works, and that if the project is transferred from one department to the other he will take a personal interest in it, since he has an official working on it, and try to get the survey speeded up and a recommendation made so that work may commence.

Mr. Argue: I want to ask just a short question for the sake of information. Could the minister inform the committee whether

under this vote any surveys are being conducted in Saskatchewan with respect to irrigation development, and just what is the division of work and responsibility between his department and the Department of Agriculture, under item No. 40?

Mr. Winters: No work is being carried on under this vote in Saskatchewan in connection with irrigation. The only work carried on under this vote is stream measurement. As between this department and the Department of Agriculture, if a project is primarily one of irrigation it comes within the jurisdiction of the Department of Agriculture. If it is primarily a matter of power development it would fall within the jurisdiction of this department.

Mr. Catherwood: Under this item I see an amount of $121,200 for field surveys. Would the minister tell us just where this work is being done?

The Deputy Chairman: We are now discussing item No. 360. I believe the hon. member's question would come more properly under item 361.

Mr. Winters: This item is to provide for operations in six district offices based at Vancouver, Calgary, Winnipeg, Ottawa, Montreal and Halifax, with nine sub-offices from which some fifty field engineers are engaged upon field hydrometric work throughout the year. These men travel almost continuously establishing and maintaining gauging stations, making measurements, and so forth. It applies in all provinces of Canada.

Mr. Catherwood: In connection with this Columbia river watershed, I believe the minister who was in charge of the Department of Mines and Resources last year told us it would take two years to complete this work. I believe some $1,125,000 has been spent already. Can the minister say whether this work will be completed this year?

Mr. Winters: That comes under the next item. Am I to understand that we have completed item 360?

Mr. Catherwood: I thought the chairman said we were on item 361.

The Chairman: No; I said the question asked by the hon. member should have been asked on item 361.

Mr. Diefenbaker: I should like to ask a question referring to the prairie provinces water board. I understand the controller of the dominion water power bureau, which comes under this department, is one of the two federal representatives on this board. Last year we were told there were meetings of this board with representatives of the governments of Alberta, Saskatchewan and Manitoba in reference to the possibilities and results of the diversion of the waters of the Saskatchewan, particularly at a point near Elbow, Saskatchewan. I should like to ascertain whether this board is meeting, how many meetings it held last year, and what arrangements if any have been entered into with the representatives of the western provinces as to the diversion of some of the waters of the Saskatchewan in order to establish irrigation or power projects on that river.

Mr. Winters: When this matter was dealt with last year I believe I informed the hon. member for Lake Centre that it is being handled by the Department of Agriculture, since it is primarily an irrigation problem. It is true that people from my department serve on that board, but it is subject to call by Mr. Thomson, who is an officer of P.F.R.A.

Mr. Diefenbaker: How many members make up the board, and how many are from your department?

Mr. Winters: I believe there are two from the Department of Resources and Development. I shall be glad to give my hon. friend the full composition of the board later; I do not have it here at the moment. I now understand from the Minister of Agriculture, who is in the chamber, that the board is composed of five members.

Mr. Diefenbaker: And has this board arrived at any agreements or arrangements with the provinces of Manitoba and Saskatchewan, or either of them, in regard to the diversion of water?

Mr. Gardiner: If I may say a word, I think it would be better to ask that question when my estimates are before the committee, because I will have all the information available at that time. There have been meetings and discussions as to the amount of water that might be permitted to go from one province to another, but I will have all that information when my estimates came up. There are five members on the board, and the chairman is Mr. L. B. Thomson, director of P.F.R.A. work. There is a representative from each of the three provinces and one from the Department of Resources and Development. The board meets from time to time and relies upon information such as that mentioned a few moments ago, concerning streams which are measured and have been measured for a number of years by the department concerned. Those measurements are matters of record with the P.F.R.A. at Regina.

Mr. Diefenbaker: As long as it is clearly understood that when we get to P.F.R.A. we will not be met again with the argument that this board is under the Department of Resources and Development.

Mr. Winters: I think that has been made clear.

Mr. Diefenbaker: Then who has responsibility for the administration of this board, the Department of Agriculture or the Department of Resources and Development?

Mr. Winters: The Department of Agriculture.

Mr. Diefenbaker: Has it been transferred to the Department of Agriculture?

Mr. Gardiner: It was never anywhere else.

Mr. Winters: The minister is quite right; it was never anywhere else.

Mr. Diefenbaker: It is right in the report of the Department of Mines and Resources as being under the charge of the Minister of Mines and Resources. As a matter of fact, it cannot be in the Department of Agriculture because it is in the annual report of the Department of Mines and Resources.

Mr. Winters: That may be. Each department may report its operations as a contributor to that board since they have representation on that board.

Mr. Graydon: Is Mr. Howe in there somewhere?

The Deputy Chairman: Order.

Mr. Diefenbaker: How many meetings of this board were held in 1949?

Mr. Gardiner: The proper time to have that question answered is on my estimates. There have been two or three that I know of, but I am not going to give that as an answer to the question. The records are in our department and they will be here when we are considering our estimates. I do not think, however, that I should try to answer that question on the estimates of the Department of Resources and Development.

Mr. Diefenbaker: I quite agree with that statement. What has surprised me is that the minister came into it at all; because this board is set up under the department of the minister whose estimates are now before the committee.

Mr. Gardiner: No, it is not. You are wrong.

Mr. Diefenbaker: It operates under that department. In that report of 1948-49 that is made clear in these words:

> The controller of the bureau acts as one of the two dominion representatives on this board which was organized during the year to study the interprovincial waterway problems of the prairie provinces. Meetings were held at Regina in November and February.

Mr. Winters: That of course just means, as I understand it—and I think this is correct—that each department operates within its own jurisdiction and makes what contribution it can to the board. But as the Minister of Agriculture has said, the board operates under Mr. Thomson who is a member of the P.F.R.A. committee.

Mr. Gardiner: Our representative is the chairman.

Mr. Winters: Yes.

Mr. Diefenbaker: What contribution does the Department of Resources and Development make to this board? It has a representative on it. There are quite a few expenditures in connection with it from this department. What do the minister's officials do, and what contribution does his department make to this board to justify the expenditure that is charged under the estimates by this department?

Mr. Winters: We attempt to provide technical assistance and advice to the board as required.

Mr. Diefenbaker: Has any technical assistance been given? If so, what? This matter of irrigation plans in Saskatchewan is one which it is difficult to get to the bottom of. I want to know as much as I can before the Minister of Agriculture comes along. The people in the province of Saskatchewan are asking what is being done. With the bifurcation of authority and responsibility between the department of the minister whose estimates are now before the committee and the Department of Agriculture, it is difficult to get any information. I ask the minister this question. How much is the anticipated expenditure by his department in respect of this board during the coming year?

Mr. Winters: The only expenditure charged against this department for the work of that board would be the travelling expenses of the officials concerned.

Mr. Diefenbaker: Just travelling expenses?

Mr. Winters: Just travelling expenses.

Mr. Diefenbaker: Nothing else?

Mr. Winters: Nothing else.

Mr. Diefenbaker: Who are the technicians? What technicians are attached to it?

Mr. Winters: You mean the names of the officials from this department on that board?

Mr. Diefenbaker: Yes.

Mr. Winters: Mr. Marr, chief of the water resources division; and Mr. Hoover, who is the department representative in the Calgary office.

Mr. Fulton: To go back to the matter of the British Columbia board which I was referring to before, under the Dominion Water Power Act, section 10, subsection 4:

The minister may enter into co-operative agreements with the authorities of any of the provinces for the making of stream measurements, the carrying on of investigations, and the collection and publication of data respecting water and power resources, and the best methods of utilizing the same.

Apart from this Fraser river basin board to which reference has been made, have any studies been carried on by this department under that section in so far as British Columbia is concerned? If so, what were the reports? Where are they available? How can one get hold of them?

Mr. Winters: Stream measurements are made of all the important streams in British Columbia. The results of the surveys are available in the department office in Vancouver. They are published from time to time.

Mr. Fulton: What I am wondering is whether they cover the same information as is now being covered by this board; because the board makes it a large task, they have to make the surveys and get the information necessary before any work can be started. I have been protesting the length of time it is taking to get this work going. That is why I am wondering how complete any previous work and surveys may have been under that section.

Mr. Winters: By and large, the measurements of streams just cover water flow and that sort of thing. This is a broader survey that is dealt with, as my hon. friend will find under the Department of Public Works vote 351, which is for the Fraser river, "50 per cent of cost of investigations to be carried out by the dominion-provincial board Fraser river basin".

Mr. Fulton: I know that. As I said earlier this afternoon, I think that the Minister of Resources and Development should take a personal interest in the matter. I find that under the Dominion Water Power Act there is provision for these joint surveys to be made with provincial authorities, and I am asking the minister to what extent those surveys were made in the past. I cannot quite understand why it has taken all this time since the Fraser river basin board was set up. All we have at the moment is merely an interim report. I am asking the minister to what extent these joint surveys were made in the past and why it is necessary that there should be such great delay now.

Mr. Winters: This is a much broader survey. The normal surveys in the past, under the act to which my hon. friend refers, were usually confined to measurements of stream flow.

Mr. Fulton: The minister said that he will follow the matter up with the Department of Public Works, so I will not press it now except to ask him if he can give me the names and positions of the officials from his department who are members of that board.

Mr. Winters: Yes. I will get that information, Mr. Chairman, and send it to the hon. member.

Mr. Browne (St. John's West): Has the department any official permanently located in Newfoundland?

Mr. Winters: Yes, we have.

Mr. Browne (St. John's West): Will you give me the name of that official and tell me where he is located?

Mr. Winters: There is an official in Newfoundland. His name is Mr. J. E. Peters.

Mr. Browne (St. John's West): Situated in St. John's?

Mr. Winters: In St. John's, yes.

Item agreed to.

Development services branch—

361. To provide for studies and surveys of the Columbia river watershed in Canada, $380,000.

Mr. Herridge: I was shocked this morning to hear from the Minister of Resources and Development that he was not quite certain whether the discovery of the Columbia was of national significance. I am pleased to see that from the point of view of development the minister considers it of national significance, although I cannot follow his reasoning in that respect.

Mr. Winters: No, Mr. Chairman; I said the discovery of the river was of the greatest national significance but that the historical significance was something to be determined by the national historic sites and monuments board.

Mr. Herridge: I think the minister is splitting hairs, but I am pleased to see that he considers the development of the Columbia of national significance, by this vote 361, to provide for studies and surveys of the Columbia river watershed in Canada. This item is a matter of great interest to my constituents, because the whole of my constituency lies within the Columbia river basin. They have

been interested in these surveys and studies while they have been in progress since 1945, I think.

Can the minister give the committee a statement as to the progress made to date in connection with these studies, and the possible time it will take to complete them? Can he assure the committee that when the final development takes place on the Columbia we will not do as was done when the Grand Coulee dam was built, and surrender a treaty right granted to us under article II of the Oregon treaty, 1846, without any protest whatever from any department of this government? When the United States government built the Grand Coulee dam on the Columbia river in contravention of article II of the Oregon treaty, which provided navigation in perpetuity to the sea for Canadian residents on the Columbia river, there was no protest from the Canadian government.

In addition, will the minister tell the committee what notice will be given to the people of Canada, and the people directly concerned, with respect to hearings by the international joint commission before developments take place? Can some further publicity be given in the press for the information of the Canadian people regarding these most interesting surveys and studies in relation to, shall I say, the Garden of Eden of Canada?

Mr. Winters: To answer the last question first, the international joint commission operates under my colleague, the Secretary of State for External Affairs, and I would not like to attempt to answer the question as to how much notice can be given. I understand that an attempt is made to give adequate notice.

The total amount of work done so far since 1944 in connection with this work is as follows: The amount of $1,176,544.45 has been expended by the government of Canada on the investigations of the Columbia river. It is not known how long it will take to complete this work because of the uncertainties entailed, as one goes along with the surveys; but it would appear that on a rough guess it will take about five years to complete the field work necessary, and that there will be a further considerable amount on money required over that period of years.

Mr. Fulton: I wish to associate myself with what has been said by the hon. member for Kootenay West. He and I share the river. My part of it lies between the two that go through his. It is a matter of great concern and urgency to the people out there if for no other reason than that, at the present time, for one thing, there is a lot of bank erosion caused by the flood waters of the river. I would hope that the field work might be done in even less than five years. I simply support the hon. member in his request that it be proceeded with as rapidly as possible.

Mr. Catherwood: We have not been given a breakdown of the details. Can the minister give the details of this expenditure?

Mr. Winters: I presume what my hon. friend wants is a breakdown of $380,000. It is broken down as follows: river investigations, $50,200; collection of stream flow data, $29,075; geological investigations, $4,000; topographical surveys, $84,000; meteorological surveys, $3,800; soil surveys, $3,500; groundwater surveys, $3,860; damsite investigations, $106,985; bathymetric surveys, $21,000; supervision and office, $48,580; design and estimates, $25,000.

Item agreed to.

362. Lake of the Woods control board, $12,480.

Mr. Hodgson: What is the function of this board?

Mr. Winters: The board is set up to exercise the responsibility for regulating lake levels in accordance with the treaty and protocol between Canada and the United States, and concurrent legislation with the province of Ontario and the tripartite agreement between Canada, Ontario and Manitoba.

Item agreed to.

364. To provide for excavation of a flood channel at Dalles rapids in Winnipeg river in Ontario to reduce flooding of riparian property affected by regulation under the Lake of the Woods Control Board Act (revote), $60,000.

Mr. Catherwood: There is a large reduction in this proposed expenditure. Is it because of the completion of the channel? What is the situation in this area with regard to the previous expenditure of $170,000?

Mr. Winters: This amount of $60,000 will complete the contract.

Mr. White (Middlesex East): Are these properties along the river privately owned?

Mr. Winters: Yes—privately owned.

Item agreed to.

Wildlife division—

365. Wildlife resources conservation and development, including administration of the Migratory Birds Convention Act, $300,000.

Mr. Browne (St. John's West): Can the minister tell me whether there has been any investigation of wildlife in Newfoundland?

Mr. Winters: The hon. member means bird life?

Mr. Browne (St. John's West): Yes, not night life.

Mr. Winters: Yes; there is an officer in Newfoundland to carry out investigations of wildlife.

Mr. Browne (St. John's West): Has he a staff?

Mr. Winters: He has not yet acquired a staff. Up to date his time has been largely spent in travelling to gather information.

Mr. Browne (St. John's West): Could I be given his name?

Mr. Winters: Would the hon. member let it go for the time being and I shall pass the information on to him.

Mr. Browne (St. John's West): Yes.

Mr. Fulton: This is one of the very important items in the estimates of this department. I am sure the minister also feels that it is important. The actual division between the federal authority and the provincial authority under this Migratory Birds Convention Act is a matter which I for one have never been able to get clearly in my mind. If it will not take too long I hope that when the minister deals with this item he will give us a brief outline of the division.

As I understand—I am referring particularly to the ducks and geese which are some of the migratory birds referred to in the act—one of the major difficulties is the fact that these birds are shot in the United States and in Mexico all the way up and down the flyways which they follow on their various migrations. Some of us in the province from which I come would like to see consideration given to the possibility of a restricted season for at least a year or two. I am not saying it is a firm opinion, but our people feel the possibility should be examined because a lessening of the number of ducks and geese is very noticeable. Naturally our game branch would not contemplate such a thing unless some similar or reciprocal arrangement could be made with the Mexican and American authorities, and those in other countries concerned. I saw figures recently in one of the newspapers of this country indicating that the number of ducks on this continent has gone down to an estimated 47 million when, at one time, I believe there were hundreds of millions. There appears to be a constant increase in the number of those sportsmen who take pleasure in this sport, probably the finest of all sports.

Measuring this against the decline in the number of birds, a decline which I believe was arrested for a while but has since begun to go on the downgrade again, one can see the seriousness of the problem. I have mentioned only one aspect of the matter. It is not in any sense a recommendation, but I do know consideration has been given to the question whether or not it is desirable or necessary to declare a closed season.

Would the minister give his views in the matter, and tell us our relationship to the American and Mexican authorities in this sort of matter, and what has been proposed between the authorities in the dominion and the provinces in this connection?

Mr. Blair: I should like to add to what has been said by the hon. member for Kamloops, and make special reference to the season. Last year the season was set back from September 15 to October 15. In eastern Ontario this meant that all local ducks had departed by that time. The season was too late for the northern ducks coming in, with the result that sportsmen in eastern Ontario who were interested in duck hunting enjoyed practically no shooting.

As a matter of fact I was one of the duck hunters who went out on October 15. I went to a place where normally we had obtained a good bag. May I add that I believe the sportsmen adhered to the restrictions as to the number they should have shot either in one day or in a season. There were no ducks. Later in the season there was no possibility of getting northern ducks.

Another point is this—and I am glad the hon. member for Kamloops has mentioned it —that in this section of the country we are in some places on the flight of the ducks flying down the Atlantic seaboard. We read about ducks along the Atlantic seaboard being destroyed by patches of oil, and that sort of thing. I have always suspected that in Canada we are in the position of raising ducks, but that we do not get a chance to shoot them. We are raising them for somebody else to shoot.

I am not suggesting that we should have a wholesale slaughter of ducks, but I do feel that the ducks nest in Canada. The experience last year certainly showed that there was no possibility in eastern Canada of duck shooting. The other point is that when they fly into the United States they are on the wing and have banded together so that the American sportsmen can follow them all the way down through the United States to the gulf of Mexico and the Caribbean area. It is estimated that last year there were more than two million duck hunters in the United States.

I should like to see preservation of the duck population in this country, and I believe we should do everything possible to maintain it. At the same time our position seems foolish when it appears that we are making an attempt to preserve in this country a duck

population which flies into the United States. While they may make regulations, I should like to learn from the minister if those regulations are being observed by the other signatories to the Migratory Birds Convention Act.

As the hon. member for Kamloops has asked, are the terms of the convention being carried out in Cuba, Mexico, the islands of the Caribbean, or the American states bordering the gulf of Mexico? This particular type of wild fowl will never change because it has always nested in Canada. I believe stronger pressure should be put on those countries, and especially the United States, if we are going to preserve the sport of duck hunting—and it is a king's sport. There is not a person who gets it into his blood who does not want to get out in the fall of the year to enjoy duck hunting. We are now in the position where we raise the ducks which go down the flyways and are slaughtered on the other side.

Mr. Smith (Calgary West): When the minister replies I hope he will tell us about the mechanics of fixing the open season. I am a charter member of the Calgary fish and game association which, incidentally, is easily the largest association of its kind in Canada. Also I have been closely associated with Ducks Unlimited. We find from various sources much criticism which, in our area, is quite unwarranted. Of course it may be a bad thing to provide water, where there was no water before, where ducks may breed. Then we hear complaints from farmers who live in the neighbouring areas to the effect that the ducks have destroyed their crops.

Lest anyone think that that is nonsense, I know personally that a decent-sized flock of ducks—and by that I mean many thousands—will in one night destroy a quarter section of wheat. So that the complaint is a real one. The difficulty is not so much in what they eat, but in what they destroy with swathed grain. In the swathed grain the duck tramps up and down, eating only a small part of what it destroys. However, I imagine that is a provincial matter.

In other words I believe that under any and all regulations the provinces have the right to issue a special licence to shoot when destruction of grain is imminent. Upon whom does the department rely? I admit that there are different open seasons in different parts of Canada, depending upon the different flyways and the climate in the various areas. How does the government arrange with the United States, for example, that we in Alberta shall have open season on ducks between September 15 and November 15? Is that entirely within our own authority? I think probably it may be, although I do not know.

Out in Alberta we have the experience where no duck is worth shooting on September 15. It is too small and too thin. At that time as a rule they have not begun to eat grain, and we know that the grain-fed duck is the only duck worth eating. When I refer to grain I am referring to many types of grain sown by man.

We used to have it so that the season closed at the end of November. Last year we had a heavy frost which closed all the water in Alberta, so that the ducks went down to our friends in the United States and, as was pointed out by the hon. member for Lanark, they were all gone before anyone had an opportunity to do any shooting. Last fall I saw them on the beautiful fine days, but I found you needed a much stronger weapon to reach them than the gun I had, which was one of the best of those made in England.

I wonder if there could not be a movable feature in setting the end of the season? Last year I believe the season was closed on November 15, but the frost came along before that and we had no shooting. In other years the best shooting has been in the last fifteen days of November. I should hope it would be practical to provide in the regulations a fixed time for opening, but also possible to have a movable date for the close of the season depending on the type of weather that was prevailing. I do not think there would be any objection with regard to the opening date because no sportsman wants to take a bird that is thin and immature, but it is different with regard to the closing dates. These dates could vary in different parts of the country because it is logical that the climatic conditions differ along the border, and the border between Canada and the United States is a long one.

It is important that inquiry be made as to whether other people are observing the rules they have agreed to observe. I do not know what has happened in Mexico recently, but I know up until two years ago shooting for the market was still going on. Now that we have a convention with them it may be that they are carrying out their undertaking much better than they used to. I wish the minister would consider my suggestions, particularly with regard to the end of the season. I know certain people will disagree with me, but my own view is that ample time should be allowed before the season is opened to permit the birds to be fully grown. Then

the local authorities should be able to make such regulations as are necessary to protect farmers' crops in the interval.

Mr. Coldwell: In dealing with migratory birds, has consideration been given to paying compensation for the very thing mentioned by the hon. member for Calgary West? Those of us who have lived in the country for a long time have seen crops of wheat, and particularly crops of barley, utterly destroyed by flocks of ducks. Many people enjoy duck shooting but very few farmers whose crops are ruined by ducks or geese feel kindly disposed toward either the birds or the hunters. Some thought should be given to finding ways and means of compensating farmers for their losses.

I am not suggesting that Canada alone should do this as this is an international problem. As has been pointed out by the hon. member for Calgary West and the hon. member for Lanark, most of the ducks raised in Canada are shot south of the line. Whether they are shot in the United States, in Mexico or elsewhere does not matter, but certainly some consideration should be given to providing compensation for these farmers. This destruction occurs mainly when the ducks are migrating from the north to the south.

I agree with what the hon. member for Calgary West has said about ducks being immature in September. As a matter of fact, they require some grain to become fleshy or palatable. Ducks that come down from the north often have a strong fishy flavour. I do not want to see these birds suffer the fate of the migratory pigeon which used to come down in thousands but has been extinct for a number of years, but I think we have to consider both the person who enjoys shooting and the farmer who loses his crops because of these migratory birds.

Mr. Smith (Calgary West): I am in entire sympathy with the hon. member for Rosetown-Biggar but may I say that the fish and game association to which I belong has already done a great deal along that line.

Mr. Coldwell: I know that some organizations do that.

Mr. McLure: Will the minister take into consideration complaints similar to those raised by the hon. members for Lanark and Calgary West in connection with geese and brant? The complaints in this connection are the same as those in connection with ducks.

Mr. Huffman: I am in accord with what the hon. member for Calgary West has stated with respect to the closing dates of a season. Representations have been made to me on behalf of hunters along the shores of lake Erie. In an adjacent area a number of game preserves are registered with the department and no shooting is permitted within a half mile of those preserves. These preserves are in the marshy areas and the ducks are fed there. But the ducks are chased from one preserve to another, the shooting taking place in between. Many people do not have a great deal of time to spend in duck shooting and the representations that have been made to me have been that they would like to be able to shoot over baited areas and the bag limit strictly enforced. I would ask the minister to give this request consideration. They would prefer to have the bag limit examined and carefully taken care of.

Mr. Blair: Before the minister replies, I should like to point out that there is also the question of geese. We know the good work that was done by Jack Miner at his place near Windsor so far as the preservation of geese is concerned. I should like to call the attention of the minister to a situation that existed along the Ottawa river in Renfrew county this spring. Geese came there and there was no previous sanctuary. I understand that the province of Ontario gave some money and possibly there was a dominion grant. Apparently, however, there was not sufficient money to buy enough grain to feed the geese. Some arrangements should be made. I do not know whether there is any idea of establishing a sanctuary but apparently a farmer in the district gave all the grain he could possibly afford to give to feed the geese. He received some small help from the province and I think from the dominion but it was not sufficient. The game wardens were attempting to drive the geese off the grounds before they were ready to go north where the lakes were still frozen. If that situation should develop again I think we should do everything possible to preserve the wild geese together with the ducks because I think wild geese are in the same class as other migratory fowl.

Mr. Winters: At the outset may I say to my hon. friend for St. John's West that the name of the wildlife officer in Newfoundland is G. L. M. Tuck. The matter of the seasons for shooting wildlife is rather complicated. There is an international convention between the United States and Canada, and there are conventions between the United States and Mexico. From time to time we have meetings of our wildlife officers with the provincial wildlife authorities to which we invite people from the United States and Mexico in an effort to co-ordinate the over-all policy as to shooting ducks and other migratory waterfowl. The provinces have their own game legislation and regulations. In

general practice once the birds are within a province they are the responsibility of that province. Any change that seems to be indicated in the season would have to be undertaken only at the request of the province concerned.

Mr. Smith (Calgary West): You fix that. The province does not do it.

Mr. Winters: We fix it but in all cases it is fixed as a result of conferences with the provinces. A survey is continually being carried on as to the habits of ducks, trends in population, reproductive success in Canada, feeding habits and other factors which might have a bearing on the season. These factors are under continual survey, and when and as changes in the seasons are indicated steps are taken to that end. The officials of the department feel that vis-à-vis the United States the hunters of Canada individually enjoy more privileges than do their opposite numbers. The question of compensation for damage is of course a very difficult problem. Many times ducks light on farmers' lands and destroy crops. The farmer may take compassion on the ducks and perhaps put out some feed. Some people feel that induces the ducks to come back there another year whereas if some other steps were taken to discourage the ducks from coming back the destruction might be avoided.

The fact of the matter is that once the ducks are in the province the problem is a provincial one and compensation must be regarded in that light. Permission is normally given to shoot ducks when they become destructive, or to persuade them to go away by some other means. There was the problem in Renfrew county this year to which the hon. member for Lanark referred. The provincial and federal governments put up equal amounts of money for feed. It was reported that there were a large number of geese in the area in a very distressed condition. We sent officials there who reported that there was a sizeable number of geese but not nearly as many as had been reported. We worked in close co-operation with the provincial authorities. We told them that if in their judgment they thought certain action needed to be taken we would co-operate with them to that end. Their officials and ours felt that the best arrangement was not to provide feed to the point where the geese would be encouraged to come back next year to the same area and destroy crops again. The matter is under continual survey, and perhaps some other means can be taken another year.

Mr. Fulton: What is the information of the department as to the present trend in the duck population? I referred to this article which said that it had fallen substantially in the last couple of years. I think the figure given was 47 million, and it was suggested—and I think there is good ground for it—that that is getting dangerously low. What is the information in the department on that question?

Mr. Smith (Calgary West): While that is being looked up I should like to ask the minister a simple question. Is it your statement that if the province of Alberta in the fall of 1950 asked you to postpone or advance the closing date of the duck season your department would immediately agree?

Mr. Winters: No, I said that if the province of Alberta, in this case, asked us to change the season we would certainly give the matter consideration but that no change would be put into effect unless a request came from the province.

Mr. Smith (Calgary West): Let us get this straight. I am not being critical.

Mr. Winters: I know.

Mr. Smith (Calgary West): I said that the season was a matter that was entirely in your hands, as I understood.

Mr. Winters: That is right.

Mr. Smith (Calgary West): You then said that once the ducks were within the province the season was then fixed only on the recommendation of the province. If what you then said is the fact—and I do not mean that you are not doing the best you can—and a telegram came to your department next fall from the Alberta government recommending the closing of the season on the 15th of November rather than on the first—

The Chairman: Order. The Gentleman Usher of the Black Rod is waiting.

Item stands.

Progress reported.

THE ROYAL ASSENT

A message was deliverd by Major C. R. Lamoureux, Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, the Right Honourable the Deputy Governor General desires the immediate attendance of this honourable house in the chamber of the honourable the Senate.

Accordingly the house went up to the Senate chamber.

And being returned:

Mr. Speaker informed the house that the Deputy Governor General had been pleased to give in His Majesty's name the royal assent to the following bills:

An act for the relief of Doris Joan Guest Rigg.

An act for the relief of Cora Elizabeth Jamieson Southam.

An act for the relief of Audrey Brenda Holmes Burnett.

An act for the relief of Barbara Edna Brownrigg Johnson.

An act for the relief of Aili Katriina Salokannel Martel.

An act for the relief of Velma Elizabeth Buchanan Lowson.

An act for the relief of Gladys Harriet Hassall Thom.

An act for the relief of Elisabeth Mavis Cann Jousse.

An act for the relief of Eric Lacate.

An act for the relief of Dorothy Margaret May Harris McCormick.

An act for the relief of Sigrid Denston Day.

An act for the relief of Beatrice Campbell McClay.

An act for the relief of Catherine C. Goodrow Rogers.

An act for the relief of Miriam Roberta Weir Caryer.

An act for the relief of Marjorie Frances Murphy Cozzolino.

An act for the relief of Mary Thomson Cadieux.

An act for the relief of Veronica Pearl Faulkner MacKenzie.

An act for the relief of Elizabeth Hampshier Atyon Reilley.

An act for the relief of Sybil Elliott Karr Boulanger.

An act for the relief of Mary Kennedy Dunn Anderson.

An act for the relief of Albert Ernest Curtis.

An act for the relief of Annie Swales Barber.

An act for the relief of Rebecca Catherine Pitts Duquette.

An act for the relief of Edith Mary Stone Ryan.

An act for the relief of Pearl Greenspan Abramovitz.

An act for the relief of Harry Rudner.

An act for the relief of Dorothea Joan Lawrence Gamble.

An act for the relief of Walter St. Andre Bawn.

An act for the relief of Alison Hamilton Brown Weldon.

An act for the relief of Hazel May Wilkie MacLeod.

An act for the relief of William Gordon Cascadden.

An act for the relief of Romeo Lefebvre.

An act for the relief of Kathleen Veronica Thompson Davidson.

An act for the relief of Joseph Arthur Winsorlow Brisebois.

An act for the relief of Margaret May Tuck Reicker.

An act for the relief of Mabel Kearley Budgell.

An act for the relief of Zina Sarah Fletcher Tannenbaum.

An act for the relief of Fred Marcus.

An act for the relief of Belva Rubin Bercusson.

An act for the relief of Reginald E. Martin.

An act for the relief of Dora Moore Holland Towers.

An act for the relief of Betty Benditsky Kursner Kobernick.

An act for the relief of Elizabeth Goodman Goldberg.

An act for the relief of Helene Eugenie Hortense Holmes Said.

An act for the relief of Amanda Doris Drachler Segalowitz, otherwise known as Amanda Doris Drachler Selton.

An act for the relief of Florence Druckman Oliver.

An act for the relief of Albert Gedeon Martin.

An act for the relief of Brandel Avrutick Cutler.

An act for the relief of Freda Geraldine Rodgers.

An act for the relief of Hattie May Dawson Wood.

An act for the relief of Marie Yvonne Bouchard O'Rourke.

An act for the relief of Ethel Margaret Murphy Watson.

An act for the relief of Clifford Willis Collins.

An act for the relief of Alfred Beatty Harris.

An act for the relief of Claire Jeanne d'Arc Sagala De Montignac.

An act for the relief of Nora Maria De Montignac Des Jardins.

An act for the relief of Rita Annie Wylie Morrow.

An act for the relief of Olga Veleky Stepanovitch.

An act for the relief of Beatrice Norma Sabbath Finestone.

An act for the relief of Adele Kuznetz Paquette.

An act for the relief of Jessie Ferguson Deans McKenzie.

An act for the relief of Daisy Muriel Smallcombe Devaney.

An act for the relief of Stella Burns Herdman Elder.

An act for the relief of Ethel May Alice Turnbull Colligan.

An act for the relief of Effie Irene Collier Newman.

An act for the relief of Phyllis Anne England McNab.

An act for the relief of Martha Jean Brooks Markell.

An act for the relief of Kathleen Zawitkoska Symianick.

An act for the relief of Jeannine Martineau Masse.

An act for the relief of Betty Borman Archambault.

An act for the relief of Edwin Dawson.

An act for the relief of Mavis Barker Billingham.

An act for the relief of Roland Gour.

An act for the relief of Margaret Elizabeth Taylor Clarke.

An act for the relief of Sylvia Singer Mepham.

An act for the relief of Mabel Kathleen Baxter Simons.

An act for the relief of Vittoria Minotti Mastracchio.

An act for the relief of Dent Harrison.

An act for the relief of Margaret Mahajahla Aitken Schoch.

An act for the relief of Esther Spector Gelfand.

An act for the relief of Sophie Roth Pliss.

An act for the relief of Gertrude Howard McWilliams Rubin.

An act for the relief of Remenia Bertha Duguay Briggs.

An act for the relief of Blanche Naomi Greenlees.

An act for the relief of Leslie William McNally.

An act for the relief of Jacqueline Marie Scully Sirois.

An act for the relief of Phyllis Christina McLeod Daly.

An act for the relief of Winnie Florence Clitheroe DuVal.

An act for the relief of Muriel Elizabeth McCurry Welham.

An act for the relief of Betty Margaret Slinn Metivier.

An act for the relief of Fanny Abramowitch Mergler.

An act for the relief of John Wood.

An act for the relief of Olivia Mary Tipping Morris.

An act for the relief of Mable Veronica Askin Williamson.

An act for the relief of Christine Rachel MacLeod Nicholson.

An act for the relief of Anne Halperin Perelmutter.

An act for the relief of Phyllis Rochlin Rabinovitch.

The Royal Assent

An act for the relief of Mary Kaybridge Goulbourn.

An act for the relief of Muriel Alice Mary Westgate.

An act for the relief of John Elliot Cumming.

An act for the relief of Ethel Bell Lifshitz.

An act for the relief of Martin Matthew Waagemans.

An act for the relief of Elaine Ruby Cooper Pierre.

An act for the relief of Gertrude Toulch Standard.

An act for the relief of Thomas Gordon Williams.

An act for the relief of Ethel Lerner Baker.

An act for the relief of Robert Earl Skinner.

An act for the relief of Chasia Berger Wolf.

An act for the relief of Henry William Askew.

An act for the relief of Leman Makinson.

An act for the relief of Rose Anna Levesque Kirkland.

An act for the relief of Douglas Barrymore Stone.

An act for the relief of Nancy Doria Evan-Wong Meade.

An act for the relief of Louise Elizabeth Garner Mitchell.

An act for the relief of Vivian Pearl McCrea Gunning.

An act for the relief of George Bruce Lancaster.

An act for the relief of Lillian Soper Pearce Smith.

An act for the relief of Antoinette Carriere Lepine.

An act for the relief of Marjorie Blythe Shore Marriott.

An act for the relief of Norman Harold Lucas.

An act for the relief of Blanche Irene Aurore Schryer Batryn.

An act for the relief of Leah Judith Godfrey Green.

An act for the relief of Phyllis Martin Payne.

An act for the relief of Geraldine Estelle Leduc Brunet.

An act for the relief of John Allen Young.

An act for the relief of Laura Kathleen Potter Stewart.

An act for the relief of Edna Hannah Keene Ley.

An act for the relief of Ada Friedman Mendelsohn.

An act for the relief of Ann Mitchell Rabinovitch.

An act for the relief of Ernest Joseph Poirier.

An act for the relief of Maria De Gregoria Zarbatany.

An act for the relief of Jean Paul Verret.

An act for the relief of Gladys Eileen Hungate Norman.

An act for the relief of Marie-Anne Alice Lalonde Campey.

An act for the relief of Sadye Gasn Blidner.

An act for the relief of Lera Mary Rombough Kirkey.

An act for the relief of Micheline Loranger Major.

An act for the relief of Jane Letitia Hardie Ball.

An act for the relief of Russell Mowbray Meredith.

An act for the relief of Jack Elmhirst Webster.

An act for the relief of Annie Kwiat Maislin.

An act for the relief of Douglas Charles Blair.

An act for the relief of Therese Simonne St. Onge Laurier.

An act for the relief of Carmen Emily Adelle McCoy Jackson.

An act for the relief of Helen Alma Lambert Anderson.

An act for the relief of Bertha Marks Cohen.

An act for the relief of Stella Margaret Rollo McKee.

An act for the relief of Helena Matyla Martyniak.

An act for the relief of Marie Rosanna Emelda (Imelda) Lecomte Bolduc.

An act for the relief of Rose Slosarczyk Bydlinski.

An act for the relief of Helen Meadows MacNaughton.

An act for the relief of Walter Kerr Dow.

[Mr. Speaker.]

An act for the relief of Thora Yvonne Easy Weaver.

An act for the relief of Robert Cohen.

An act for the relief of Ruby Gladys Burns Thornhill.

An act for the relief of Joseph Francois Xavier Beland.

An act for the relief of Joseph Neist.

An act for the relief of Harry Goldbloom.

An act for the relief of Winnifred Julia Lester Stockless.

An act for the relief of George Eustorgio Lanzon.

An act for the relief of Laurette Amyot McGroarty.

An act for the relief of Hilda Marie Adeline Bouvier Cardy.

An act for the relief of Reuben Robert Shapiro.

An act for the relief of Mary White Sheppard.

An act for the relief of Ulderic Cadieux.

An act for the relief of Helen Irene Barney Hutchinson.

An act for the relief of Alice Jean Young Gulliver.

An act for the relief of Joseph Lucien Alphonse Martel.

An act for the relief of Georges Emile Bernier.

An act for the relief of Margaret Veronica Quinn Davies.

An act for the relief of Max Gurevitch.

An act for the relief of Romuald Joseph Jean Lamoureux.

An act respecting the purchase by Canadian Pacific Railway Company of shares of the capital stock of the Shawinigan Falls Terminal Railway Company.

An act respecting the Limitholders' Mutual Insurance Company.

An act respecting United Grain Growers Limited.

An act to amend the Canadian Red Cross Society Act.

An act respecting the appointment of Auditors for National Railways.

An act to amend the Manitoba Boundaries Extension Act, 1912, and the Ontario Boundaries Extension Act.

An act to incorporate Ukrainian National Federation of Canada.

An act to amend the Northwest Territories Power Commission Act.

An act to amend the Precious Metals Marking Act,

An act respecting Grants of Public Lands.

An act respecting Crown Lands in the Yukon Territory and the Northwest Territories.

An act to amend the Excise Tax Act.

An act to amend the Railway Act.

An act to amend the Customs Tariff.

An act to incorporate Alberta Natural Gas Company.

An act to incorporate Prairie Transmission Lines Limited.

An act to incorporate United Security Insurance Company.

An act to incorporate the Apostolic Trustees of the Friars Minor or Franciscans.

An act to incorporate the Canadian Commerce Insurance Company.

An act to incorporate Saskatchewan Mutual Insurance Company.

An act to amend the Customs Act.

An act to amend the Cold Storage Act.

An act to bring the Criminal Code and the Canada Evidence Act into force in Newfoundland.

An act to amend the Criminal Code.

An act to amend the Research Council Act.

An act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1951.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

SUPPLY

The house in committee of supply, Mr. Dion in the chair.

DEPARTMENT OF RESOURCES AND DEVELOPMENT

Wildlife division—

365. Wildlife resources conservation and development, including administration of the Migratory Birds Convention Act, $300,000.

Mr. Hodgson: There is quite a large amount for travelling expenses in this item, namely, $22,000. Will the minister give us a résumé of what it is?

Mr. Winters: There are wildlife officers in every province in Canada. As I explained before, their job is to travel around and get statistical information and secure data on the development of wildlife population, their habits and reproductive possibilities, and so on. In doing so, they accumulate the expense which is shown against this item.

Mr. Hodgson: Is the minister sure they are all on government business?

Mr. Winters: They are all on government business.

Mr. Hodgson: I have not bothered the minister about sundries in other items. There is quite a large sundries account in this item, amounting to $13,000. Can the minister give us an idea of what it is?

Mr. Winters: "Sundries" amounting to the total of $13,632 is made up as follows: dominion-provincial wildlife conference, $2,000; motion pictures, $5,000; legal fees, $1,200; commission on fur sales, $1,500; hire of motor boat in Newfoundland, $2,500; incidentals, $1,432, making a total of $13,632.

Mr. Hodgson: Tell us what the motor boat was hired for. It was not for election purposes, was it?

Mr. Winters: It certainly would not be so long as this party is in power.

As my hon. friend knows, Newfoundland is the type of country the shore line of which is very hard to get around. Travel between outports must be done by boat, and naturally the amount for boat hire would be considerable.

Mr. Browne (St. John's West): What does the boat cost per day to hire, and what is its size?

Mr. Winters: This is an estimate; it is not an item of past expenditure. It is an estimate of what we might expend during the present fiscal year.

Mr. Fulton: When the committee rose just before six o'clock the minister had not an opportunity to answer the question as to the information of the department on the trend in the population of ducks and geese; nor had he an opportunity to make reference to the question which was asked before as to the relation, under this Migratory Birds Convention Act, with such countries as Mexico and the other countries of the central and Caribbean area where these birds spend the winter, and where it has been suggested considerable slaughter is taking place.

Mr. Winters: Mr. Chairman, I think I explained the latter part of the question. Under the Migratory Birds Convention Act we have an understanding with the United States, and they in turn have understandings or agreements with Mexico and I believe with other countries. The only agreement we have is the one with the United States.

As to trends in population, according to detailed information I have, the annual waterfowl inventory, which is carried out throughout North America each January when waterfowl are concentrated on the wintering grounds, indicates that there has been a reduction in the number of waterfowl from year to year.

Mr. Fulton: Has the minister an estimated figure of the present population on this continent?

Mr. Winters: There is no estimated figure before me now. I understand we have a figure that can be obtained if my hon. friend would be satisfied to have me send it to him.

Mr. Fulton: Thank you. Did I understand the minister to say we have no direct relation with the countries of the Caribbean? Has he any knowledge of the sort of agreement that they and the United States have, and is it the sort of agreement we have with the United States? In other words, if we have regulations and laws, as we have, with respect to closed seasons and protective measures and so on, which obviously operate to the benefit of the sportsman not only of Canada but of the United States and other countries as well, do those arrangements that we have with the United States give us a fair reciprocity? Has the minister any knowledge of that situation?

Mr. Winters: I have no detailed knowledge of the relationships between the United States and Mexico and other countries. We do have contacts, for example, with Mexico. We invite them to our conventions, and exchange ideas with them. The United States is doing a considerable amount of good work with

these countries in an effort to bring their regulations into line with what is mutually acceptable to our two countries.

Mr. Adamson: While this item on wildlife resources conservation deals to a degree with birds, I want to mention something which should be brought to the attention of the committee and of the minister particularly, namely, the question of predator control. The decimation of our wildlife, owing to predators, is something which cannot be allowed to continue for many years longer without serious destruction in the whole game picture in Canada.

In this connection I want to mention particularly the northern wolf and the grizzly bear. Today in our national parks, and in a vast area of northern British Columbia and northern Alberta, the northern wolf has attained such proportions not only in his ferocity but in numbers that the game resources—I speak of the deer, caribou, moose and to a certain extent even the elk—are in very great danger of such serious decrease as to be a menace to the whole economy of the area.

Not only does the wolf hunt in packs, but the depredations of the northern wolf have got so bad in comparatively recent years that the packs will co-operate with each other in order to destroy whole herds of game animals. The fiendish brutality of this animal is something which should be brought to the attention of the house and should be dealt with by this department. Not only will the northern wolf destroy animals for food, but they will hamstring those animals in order to keep them alive until such time as they are ready to eat them. So true is this that the southern limit of game animals in British Columbia and Alberta, and throughout the whole Rocky mountain range, is being driven north by this ferocious killer. With regard to the national parks I have one or two suggestions which I would ask the minister to consider seriously.

The Deputy Chairman: I understood the hon. member was referring to wildlife, but he is now referring to national parks. There is another item dealing with the national parks.

Mr. Adamson: I know; but wildlife does exist in the national parks, and the very next item in the estimates deals with those national parks. What I am saying refers to wildlife in the national parks, and in what I say I am combining the two items, and offering the suggestion that it is extremely germane to the item before the committee.

The position taken by the national parks administration is that every wild animal in the parks is a sacred cow. The wolf, and to an extent the grizzly bear, is by no means a sacred cow. Rare animals peculiar to the Rocky mountain range, including the Rocky mountain goat, bighorn sheep, deer and other animals, are being decimated by these killers. Recently the parks administration passed regulations preventing wardens from shooting or otherwise destroying these predators. Having in mind the damage which can be caused by these killers in reducing the number of unique animals which exist in our national parks, I feel that steps should be taken immediately to prevent an increase of this predatory force before it has reached proportions sufficiently great to drive north the unique and fine game animals that exist in the Rocky mountain range.

Years ago one could not go through the area of the Simpson pass without seeing excellent specimens of bighorn sheep, goats and other game animals. Today, owing to the depredations of the grizzly and the wolf, the herds of these animals are being decimated. I suggest two things: First of all my suggestion is that the wardens be allowed to shoot a wolf, or otherwise to get rid of the predators. The case against the grizzly perhaps is not so well proved as that against the wolf; but I do suggest that the regulations of the national parks administration should be amended so that the wardens may be allowed to shoot or otherwise to dispose of these predators.

There are other things I think should be done, but I shall not discuss national parks while we are dealing with the wildlife item. I should like to see it made an offence to shoot an eagle anywhere in Canada. Every time we hear about some individual who has shot an eagle we see that great publicity is given to him in the press, and it is considered that a most remarkable thing has been done. The eagle today is becoming almost an extinct bird. It is unique and magnificent, and its predatory instincts are of such minor importance that its adverse effect on game is almost negligible. Without question it is one of the really great birds of the Rocky mountain range, and I would hope that protection would be given to it.

The control of killers of our game, not only our game birds but our wild big game in Canada, is not only a great asset from the standpoint of our tourist business, but a great asset from the ethical point of view in our country. More destruction is caused to wildlife by protecting the predators than has ever been caused by even the greatest extent of hunting by man. I make that statement excepting always the history of destruction

of the buffalo. But the natural enemies today of our wildlife are the greatest menace we have to meet in preserving the one thing that makes the Rocky mountain area and the western provinces the tourist Mecca and the unique place they have become for the sportsman.

Item agreed to.

366. National parks and historic sites services, $10,138,886.

The Deputy Chairman: Before we begin discussion on this item I would remind hon. members that there was a general discussion on the first item, and a discussion as to what procedure should be followed. As hon. members know, the discussion in committee of the whole must be strictly relevant to the item or clause under consideration. Notwithstanding the general discussion which was allowed on the first item dealing with departmental administration, some hon. members seem to think that there should also be a general discussion on the first item of any branch of the department. The hon. member who has just taken his seat was discussing wildlife generally and in my view he was not in order. The item now before us deals with national parks and historic sites, but I do not think there should be a general discussion under this item. Then later on there is an item in connection with the national museum of Canada. Then we take up northern administrations.

To have a general discussion on the first item of every branch is not in my view within the spirit of the general practice of having a discussion on the first item. There are experienced members in this house who surely can assist me and tell me whether my view is right. I do not see how we can have a general discussion on the first item of each branch if speeches in committee of the whole are to be strictly relevant to the item or clause under discussion. In my view what should be discussed under the items are the details at the back of the book, instead of having a general discussion.

Mr. Hodgson: Item 365 was not passed.

Mr. Harris (Danforth): I have profound respect for the views you have voiced, Mr. Chairman, but with all due deference I ask you to give consideration to the magnitude of this next vote, which is for $10 million. That is a lot of money in any man's language. I think you, Mr. Chairman, might be considerate enough to allow us a little latitude because of the size of this vote.

Mr. Adamson: On a point of order—

Mr. Coldwell: I think perhaps one of the unfortunate features of dealing with these estimates is that so many hon. members are attending committees when general discussion occurs. I am never very long if I can help it, but I rose to say that I regret I was not in this committee this morning when the hon. member for Royal discussed this particular item 366.

Mr. Hodgson: We are on 365.

Mr. Fournier (Hull): 366.

The Deputy Chairman: 366.

Mr. Hodgson: I tried to get on my feet on several occasions.

Mr. Fournier (Hull): One at a time.

Mr. Hodgson: I was on my feet when you carried it.

The Deputy Chairman: I think it should be decided whether we are to have a general discussion on the first item of each branch after having had a general discussion on the first item, departmental administration.

Mr. Adamson: On a point of order—

The Deputy Chairman: The hon. member for Rosetown-Biggar.

Mr. Coldwell: I understand that a tribute was paid to a great man who had a great deal to do with marking our historic sites and I want to say that this country owes much indeed to the late Dr. Webster. I hope the new minister will endeavour to see that more of our historic sites are marked before it is too late.

Mr. Fulton: Will the hon. member permit me before he launches into a discussion of this particular item 366? I should like to point out that two members were on their feet when item 365 was called carried but I did want to ask one or two questions on that particular item.

The Deputy Chairman: I have already said that 365 is carried but we can revert to that item and the hon. member can ask his questions after the hon. member for Rosetown-Biggar has completed his remarks. I should like the hon. member for Rosetown-Biggar to indicate whether or not he agrees with what I have said about general discussion.

Mr. Coldwell: I quite agree with what the chairman has said. I make a plea that the minister endeavour to see to it that more of our historic sites are marked. I notice the hon. member for The Battlefords is in his seat and I think perhaps he will rise later on to say something about this matter. In Saskatchewan such places as Battleford, Duck Lake, Batoche and other places have historic

sites that are largely unmarked at the present time. Some little time ago I was at Duck Lake and I found that that condition existed. At Battleford the old rifle pits are being obliterated and many of the locations of old Hudson's Bay posts are being lost. I repeat that I hope the minister will see that more of these sites are marked.

Is a grant made to the historic society of Canada? I cannot find it in the estimates. The work performed by men like Dr. Webster is of the utmost value and a society of this kind should be assisted if it is not already receiving assistance.

Mr. Hodgson: Reverting to item 365, I notice there are two superintendents of hatcheries. Could the minister tell us what type of fish were hatched last year?

Mr. Winters: There are hatcheries at Banff, Jasper and Waterton where sporting types of fish are raised. I have no figures as to the quantities hatched last year.

Mr. Hodgson: Do they deliver them to the lakes and streams, or are they handed out to other people for delivery?

Mr. Winters: That is quite right—to lakes and streams.

Mr. Fulton: I tried to catch your eye before item 365 was carried. The minister has said that statistics and other information in the department indicate that our migratory bird population is declining. Has the minister any plans for a discussion with other countries to devise ways to reverse that trend?

Mr. Winters: That particular matter is under constant study by the officers of the department in co-operation with wildlife officers of the provinces and the United States. Within the next few weeks there will be a meeting in Ottawa of wildlife people from all over Canada to discuss that and other problems allied to wildlife in Canada.

Mr. Fulton: Has the department any recommendation that it is going to put forward and insist be carried out in this connection? I understand these are annual conferences, and I do not wish to minimize the importance of the conferences or what has been done, but the fact is that the migratory bird population is still declining. Has the minister any proposals, and has his department any program which they intend to put forward and to press to the hilt so as to reverse the trend?

Mr. Winters: The department has views on what should be done. For example, there is the matter of tightening up the seasons. The whole idea of the conference is to get people together from all over Canada to obtain their views and see if some policy cannot be evolved to cope with the problem which will be satisfactory to all concerned.

Mr. Fulton: I hope you do it.

Mr. Adamson: On a point of order, you suggested that I was out of order in discussing the specific item of wildlife resources conservation. I deliberately waited until the item came up to discuss this one matter of wildlife conservation. I could have discussed it this morning on the general item. I did not do so because I thought it was better to wait until the specific item was called in order to discuss it. If it is going to be the general practice in this committee that we are to be shut off from discussing specific items then we will have to consider carrying on a more general discussion on the initial item. If the committee is going to function in the way it should the discussion should be germane and detailed, and should apply specifically to the item under discussion. If we are going to have a general discussion on everything and then be shut off when we discuss a specific item I suggest, Mr. Chairman, that we will waste a great deal of time. I was discussing wildlife conservation under the specific item. I waited for it and was discussing it. There is nothing doing more damage today to our game than the predators, the wolf and the grizzly bear. That is what I wanted to say and that is what I said. If we are going to be prohibited from saying these things on the specific item then I suggest discussing the estimates has become a mockery.

Mr. Fournier (Hull): Nobody stopped the hon. member.

Mr. Adamson: No, but they did everything they could to stop me.

Some hon. Members: Louder.

Mr. Adamson: My anger is not synthetic.

The Deputy Chairman: The hon. member will remember that I intervened only when he mentioned national parks together with the subject about which he was talking, wildlife. The very fact that the hon. member discussed the two items together indicates that his remarks were of such a nature that in my view they should have been made on the administration item. Then he could have come back and discussed only wildlife on item 365 and everybody would have been happy. I suggest the item under discussion relates to the details on page 249.

Mr. Adamson: The great asset of our national parks is the wildlife in them.

Mr. Smith (Calgary West): On the same point of order, I never get annoyed but I did not like very much your cutting off the hon. member for York West.

The Deputy Chairman: I did not cut him off.

Mr. Smith (Calgary West): You lectured him. Let us put it that way. Your lecture was full of such words as "I allowed so and so." With the greatest respect, sir, you do not allow anything. We have certain privileges in discussing these items as a matter of right, and you may stop us only when we exceed those rights. I have great respect for you personally and for the position you occupy, but you are not allowing us to do anything. You can disallow but you do not allow us. The rules of the house do the allowing.

Mr. McIvor: Mr. Chairman—

The Deputy Chairman: Order. I quite appreciate the assistance which I receive from the hon. members. I want to assure them that I try at all times to give the greatest freedom of discussion.

Mr. Smith (Calgary West): May I quickly agree with that, but do not use that word again. Do not say what you allow us to do.

The Deputy Chairman: Perhaps the expression does not suit my hon. friend but what I intended to convey was that the standing order which says that speeches in committee must be strictly relevant to the item must mean something. All hon. members will agree that we had a general discussion on the first item. When I began my explanations, the hon. member for York West had completely finished his remarks. I waited until the very end. What I want to get at now is that there are many other branches in this department. For example, the national museum will come later, and the next item is national parks.

I should like to ask for the opinion of experienced members. As they understand the rule that speeches in committee must be strictly relevant to the item, is it their view that when the first item of a branch comes before the committee a general discussion should be allowed, notwithstanding the fact that by practice a general discussion is allowed on the first item, departmental administration? I do not want to cut off anyone but here is the position in which I find myself. Some hon. members take the floor and others do not. When an hon. member takes the floor and starts to discuss something which he should have discussed on another item, it is quite understandable that other members feel that the chairman should intervene more than he does. That is the situation in which I find myself. I have to expedite the business of the house and at the same time permit free discussion. I am quite willing to do that. That is exactly what is required by my position and it is what I am doing. I am asking now for the views of members of the house. Should another general discussion take place on the first item of each branch notwithstanding the fact that a general discussion was allowed on the first item concerning departmental administration, and notwithstanding the rule which says that speeches in committee must be strictly relevant to the item under consideration? If hon. members want to co-operate I am sure we can achieve the purpose for which the committee is set up, that is, to examine the estimates properly and at the same time expedite the business.

Mr. Smith (Calgary West): On the same point of order, may I say that I am so happy to agree with the general remarks which you have made, sir, because I too read the rules many years ago. Nevertheless you have suggested that an hon. member is out of order when he refers to national parks in discussing wildlife. Wildlife is largely contained in our national parks, is one of the greatest tourist attractions and assets of our national parks, and predators in those parks are destroying the game animals which have a sanctuary there. When you tell the hon. member for York West that he is out of order because he mentions national parks, that is—forgive me—something beyond my very limited understanding.

The Deputy Chairman: The hon. member will understand that I do not want to delay the discussion any longer than is necessary. Wildlife comes under item 365 and national parks under item 366.

An hon. Member: Item 365 was passed.

Mr. Smith (Calgary West): Oh, no, it was not.

Mr. Johnston: Mr. Chairman, you have suggested that we should not carry on a general discussion under these items. I had some remarks to make on an item we have not reached yet, and I refrained from making those remarks earlier because on one or two occasions the minister himself pointed out to hon. members that they should wait until the item is called and then have their discussion. I followed the minister's suggestion; I waited for my item to be called. Now you come along with a ruling under which we are going to be held strictly to the item before the committee and may not speak generally. You are putting us in this position, that when the administration item is called every hon. member is going to be forced to carry on his discussion at that time. I do not believe the minister wants that; I think he would rather wait until the item in

question is called and then have the discussion, but I think we should have it very clear. Either those of us who want to speak on these items will have to carry on our discussion on the administration item, or we must be allowed some latitude when we come to the particular items to be considered. Some of us who have refrained from taking part in the discussion on the first item will be placed in a very difficult position if you apply the rule as you have just indicated.

The Deputy Chairman: I must inform the hon. member that I did not make a ruling. There is a citation in Beauchesne, third edition, citation 107, which provides that in case of doubt the chairman may ask the opinion of experienced members, and that is what I have done. After having listened to the views expressed by the hon. member for Calgary West, the hon. member for York West, the hon. member for Rosetown-Biggar and the hon. member for Bow River, I have come to the conclusion that we must try to observe this rule which restricts speeches to the item under consideration, but having in mind that a wide discussion must take place on certain items because of what has been said previously, it is up to each hon. member to exercise some self-restraint, in order that we may get on with the business. We are on item 366.

Mr. Bater: The hon. member for Rosetown-Biggar was quite correct a short time ago when he stated that in all probability I would be rising to speak on this item. I do so in the belief that I am speaking on the proper subject, at the proper time and in the proper place. The item deals with national parks and historic sites services, and I want to ask the minister for just a small portion of this $11 million odd. I am appealing to the minister for financial assistance for the Battleford police memorial and Indian museum. This memorial and museum is located on a plateau practically on the historic old townsite of Battleford. Some miles below this site the North Saskatchewan and Battle rivers meet on their march to Hudson bay. Just three miles to the north is the city of North Battleford, and just one mile to the south is the first parliament building of the Northwest Territories council, located on the south bank of the Battle river immediately south of the historic town of Battleford. I believe this building was erected in 1875 and was used by the council until 1878. It is still there, in a good state of preservation. This memorial and museum was opened by His Excellency the Governor General on May 24, 1948, at which time we were honoured by a visit of their excellencies. Perhaps I might mention the plans that have been drawn up by those who have given much of their time and energy to this project, and who are in urgent need of funds to carry it on in a proper manner.

In the year 1876 the Battleford mounted police post was established by Colonel James Walker and linked up with such posts as Macleod, Fort Walsh, Calgary, Edmonton, Carlton and Swan River. This force served the Northwest council from 1878 to 1881 at Battleford. It served the Department of Indian Affairs. From this point its force went forth to battle at Duck Lake, Carlton, Cut Knife, Fort Pitt and Frenchman's Butte. Later, during the settlement days, it became a stabilizing and encouraging factor in our civilization. This locality is the home of the Cree Indian. In the early days it successfully held back the Blackfeet. There are also tribes of Saulteaux, Assiniboine and Sioux, with their long history and cultural development. The Indian agency office is still located here. The little red brick building which served as an office is still standing on the Northwest Council hill. Such early explorers as McGillivray, Pike, Cocking, Frobisher, Pond, Henry, Pangman, Umfreville, Thompson and Harmon passed up the North Saskatchewan and crossed to the Beaver river and Ile à la Crosse to Churchill. Their fur post sites are still to be seen. It has been a pleasure to search for these and have Professor A. S. Morton come up from Saskatoon and check them over. These posts should be rebuilt or remarked, and the thrilling story of early fur days retold: Manchester House, Pine Island Post, Eagle Hills Post, Turtle Post, Buckingham House. The rich fur and pemmican trade of the Hudson's Bay and Northwest Company was centred in this part of the Saskatchewan river and at Green lake, Ile à la Crosse, Prince Albert and Edmonton. As our young citizens grew up in the midst of this rich romantic and sacrificial story they too caught the spirit of enterprise. Such localities gave their best youth to the first and second world wars when the call came.

Peace has come again to our beloved Canada. A new youth is re-examining our national life. It asks, "How can harmony, brotherhood and culture be advanced and what shall we save in a new civilization?" Shall we study the social and economic factors of our localities in such a way as to engender love for nobler purposes and make the land blossom and sing? It is a land with a tradition and a promise. What shall be done with these historic spots? Once more we have asked the government to help. The Saskatchewan government consented to renovate the famous mounted police barracks. This cluster of some dozen buildings has been

standing idle since 1923. The superintendent's house, the inspector's house, the jail, the hospital, stable and mess room are to be saved. The renovation work was commenced in August, 1945. All the main buildings are ready for use. Our citizens suggested a mounted police memorial and Indian museum. The government accepted this plan provided citizens would furnish and equip this memorial and museum. The challenge was accepted. Men and women of training and ability offered to help plan, equip and interest their fellow citizens. Our plans are well advanced. Citizens are being asked to furnish the necessary funds. This endowment fund will be used to furnish and operate this memorial and museum. Our citizens may elect to honour mounties and old-timers by their gifts. It is aimed to clothe this memorial with dignity, reverence and beauty, vitalized from the rich pages of history. May its best traditions be preserved in our future citizens.

Rooms of the superintendent's house are reserved for this memorial. A room will be reserved for each of the following phases of police history: the march of 1774; the early police posts; the rebellion of 1885; the story of the Yukon and South Africa; commemorative days; and the force in wars I and II.

Actual objects used will be taken from these days and donated in memory of these men. The mounties colour scheme will be used in the furniture and draperies. The hospital stable will honour the mountie's horse. It will contain the museum of agriculture. It will be used to depict western drama from a stage overlooking the junction of the Saskatchewan and Battle rivers three miles distant. The Eagle Hills, the city of North Battleford, the town of Battleford, St. Thomas college and the occupational therapy buildings of the mental hospital are within a three-mile radius. There are 40 acres reserved for gardens and recreation grounds on this magnificent plateau. These will be beautified.

The guard room will contain the famous pictures of the force and serve as an art gallery, containing the best pictures interpretative of western life. The famous old mess hall building will be used for an auditorium and an Indian museum to interpret the culture of Crees, Blackfeet, Sioux and Assiniboines. One wing will be devoted to the story of fur companies and natural resources. The inspector's house contains the orderly room of early days. Five rooms upstairs will be set aside for the scientific section, archaeology, minerals and soils, astronomy, ceramics, stamps and coins. Located in suitable corners will be the natural history story told in habitat groups, visualizing the scenes of the mounties, the trapper, the settler, and at the same time showing the birds, animals, insects and plants of the Red river trails. The advisory committees of each division are free to plan for their own division. It is planned to build a fund for each division to make this an institution of national importance and relate it to the museums of Canada and the United States. Books, documents and pictures will be preserved in the archives for the scholar. Monthly lectures will be given to interpret the fields covered in the museum. There will be social gatherings especially for the pioneers. The old palisade which sheltered the beleaguered garrison in 1885 is to be partly rebuilt around the main gates. The bastions will be replaced.

Not only will the memorial and museum preserve and enlighten, but it will serve as a link with old posts of the past. Fort Pitt of 1829 days is to be rebuilt this year by Mr. Hougham. It is hoped other old fur posts will be rebuilt throughout western Canada. May our citizens read the cultural story as they journey from one pioneer locality to another. Each has its wonderful story. From this point other centres may be revitalized. Thus may the spirit of creativeness be fostered to enrich the economic, social and cultural life, giving new hope and faith in a brave new world such as our pioneers struggled to build.

I could go into many details, Mr. Chairman, to show why we require some financial aid in connection with these projects, but I will not take up the time of the committee to do so now. I will take that matter up later with the minister.

In conclusion I should like to say that I trust the minister will give favourable consideration to our request for financial aid for these worthy projects. They will cherish memories of these great men who played so admirable a part in the early history and development of our great northwest, and preserve the folklore and tradition of our real Canadians, our Indians.

Mr. Hodgson: I should like to come back again to the question of travelling expenses of $38,850, and the sundries of $67,041. This seems to me to be a tremendous amount on travelling expenses and sundries account in one item of this department. Can the minister give us a breakdown of that?

Mr. McIvor: While the minister's assistants are looking up this information, perhaps I could make my request and speech now.

The Deputy Chairman: Very well.

Mr. McIvor: I have my first request to make of the minister; and of course in another

sphere of life first offences are treated generously. We have been trying for a good many years to get a national park at the lakehead. We have perhaps the finest sight there is anywhere in Canada, in Mount McKay, Squaw bay and the Chippewa Indian reserve. No place that I have visited in Ireland, in England, or in Canada presents a more remarkable view from the standpoint of scenery. If the trans-Canada highway is going through that way, it would be a thrilling stopover for any of our tourists. Mount McKay is 1,400 feet high. The water supply of Fort William is away up behind the peak. We have a good road halfway up; and when you get up to that halfway mark, there is a thrilling view. We think it would be a great attraction for the wise men of the east if they could see the things we have there.

The other attraction that we have and that I should like the minister to consider is Kakabeka falls. Many times during the week hundreds of cars are parked there and thousands of people enjoy the beauty of these falls. My request, Mr. Chairman, is that the minister send out some of his experts this year, during July or August, and back up the request of our city, the parks board, the trades and labour council, the chamber of commerce and all sensible people at the lakehead.

Mr. Hatfield: Mr. Chairman, I want—

Mr. Hodgson: Just a minute. I should like an answer to my question first.

Mr. Winters: Sundries for the national parks, $67,041; the question was for the sundries breakdown as against the estimate?

Mr. Hodgson: I should like to get the sundries broken down and to have some details of the travelling expenses.

Mr. Winters: Which sundries are you referring to, the estimates for this year?

Mr. Hodgson: The estimates for this year, and you can give us anything you may care to for last year. The increase is $22,000 on the sundries, and on the travelling expenses the increase is about $13,000.

Mr. Winters: Sundries for last year of record were expenses of advertising, $17,000; rental of equipment, $15,000; unemployment insurance, $14,000; electric power for parks, $12,000; laundry and towels, $8,000; professional services, golf course experts, $6,000; technicians' fees, including architects, $6,000.

Mr. Fulton: Is that the actual expenditure?

Mr. Winters: Those are actual expenditures for last year of record.

[Mr. McIvor.]

Mr. Fulton: What is the total of those items?

Mr. Winters: I would have to add them up. I have not the total here. The expenses are the normal expenses of the wardens and so on in national parks. The increase is occasioned by what we think will be the additional expenditure in Newfoundland by possible air charters and examining territory, and the additional expense resulting from taking over some work of the battlefields commission.

Mr. Fulford: I am sure I am in order this time, because I am going to deal with matters that have to do with both national parks and historical sites. First I want to ask the minister to commend his department on the splendid progress which is being made in the St. Lawrence river national parks, the series of islands which stretch from Morrisburg, Ontario, on the east to Kingston, Ontario, on the west. The item in connection with the maintenance of all historic sites and national parks amounts to $10 million; but the cost of maintenance and further improvements to these parks amounts to but a fraction of the $10 million appropriation. Yet I venture to say that there is no group of national parks in Canada that give more pleasure, and to a greater number of people.

All one has to do is to go by the parks which are on the islands and mainland to see at all times during the summer months the canoes, rowboats, motor boats and the expensive cruisers drawn up at these docks, and to see the fireplaces, pavilions, the bathing houses and the other facilities which are used by the rank and file of the public. These facilities are used not only by Canadians but they are becoming increasingly popular with the citizens of the United States.

I want to commend the minister on the recent acquisition or transfer of property from the Department of Transport to the Department of Resources and Development. I refer to Windmill point, just below Prescott, Ontario. It is a very historic point and very near a town which in the past has not had the facilities of a nearby national park. I would like to suggest that further property be acquired. I understand that the property is owned by a department of government, namely the national harbours board. I would suggest that further property be acquired so that there would be adequate land available for the public to use.

At this time I should like to recommend to the minister's attention the possibility of acquiring Hill island. I might explain that Hill island is the island over which the road runs connecting the Canadian span of the

Thousand islands bridge with the international span. To me it is a very historical point, inasmuch as this bridge was opened on August 18, 1938, jointly by the late President Roosevelt and the Right Hon. W. L. Mackenzie King. Unfortunately, steps have not been taken to safeguard the beauty of this island, with the result that already a great deal of timber has been cut off the island adjacent to the road. I realize that this part is under the jurisdiction of the province of Ontario, but unfortunately it seems to have been neglected. There are a great many unsightly buildings such as travellers' cabins, hotdog stands, souvenir booths and so on. I suggest that it is one of the most beautiful sections in eastern Ontario, and it is the gateway for thousands of United States tourists. It could be made something of which all Canada could be proud. It is definitely an historical site, and it definitely should form one of the most beautiful points of entry to our country.

Actually the bridge now spans two national parks, Georgina island and Constance island. The span on Hill island should also be on a national park. If feasible, negotiations should be entered into with the United States to make this entire section an international park, because certainly that site is of sufficient international significance to warrant such a monument for posterity.

There is another section in the district in which I live, particularly in the county of Leeds, the county I have the honour to represent, namely, the great chain of Rideau lakes, which form an integral part of the Rideau canal system. As we all know, the Rideau canal is of particular historic importance. It was built after the war of 1812 by British army engineers. There was a rather quaint treaty signed between Great Britain and Canada when the canal system was handed over to Canada. One of the clauses of the treaty said that Canada would maintain the canal system so long as the grass was green and the skies were blue above. In that respect the canal is being well maintained.

I wonder how many of us realize the great tourist attraction that the Rideau chain of lakes is, and how an ever-increasing number of Americans and Canadians are coming to view and use this magnificent national resource. Starting at Kingston Mills on the southwest one comes into the "river Styx", and gradually going up through a series of locks one is locked into Cranberry lake, and then into Whitefish lake, to the famous Jones Falls, up to the Officers Quarters, to Sand lake, and Opinicon lake; thence through Chaffey's lock into Clear lake, Indian lake, Newboro lake; through a lock and small canal into the little Rideau lake, where one comes to the dividing line of the land. Then one starts going down the canal toward Ottawa, and one comes to the big Rideau lake. The big Rideau lake stretches from the Narrows lock almost to the town of Smiths Falls.

Since the national parks on the St. Lawrence have proven so popular I see no reason why the department should not embark by degrees—it is not necessary to rush matters—on a plan to acquire gradually more islands in these Rideau lakes and develop them into national parks. There could be two or three of such islands in the big Rideau lake, perhaps one in the little Rideau lake, and so forth and so on through the various other lakes. I feel that by developing these national parks in the Rideau chain of lakes the department would be rendering a great service to the public of Canada. It would be a great attraction for the United States tourists, and at the same time it would become a living monument to the memory of those early British engineers who did such a magnificent job after the war of 1812 in creating an all-Canadian route from Montreal to Kingston.

Mr. Hodgson: I should like the minister to answer my question on the travelling expenses. He has been interrupted by two Liberal speakers.

Mr. Winters: I was under the impression that I had answered it.

Mr. Hodgson: You had answered the question on sundries, but not on travelling expenses.

Mr. Winters: I said that travelling expenses were incurred by the park wardens in the line of their duties and by the officials of the department. There is an increase in expenditures. That is occasioned by certain work we expect to undertake this year in Newfoundland, and certain other additional work we expect to do by taking over certain work from the battlefields commission.

Mr. Browne (St. John's West): Can the minister tell us whether they are battlefields in Newfoundland or battlefields in Europe?

Mr. Winters: The battlefields commission applies only to the battlefields of Quebec.

Mr. Browne (St. John's West): I should like to draw attention to the old historic forts I mentioned at Placentia, Trepassey and Carbonear island. Carbonear island especially is of significance, because it was the one place in Newfoundland that held out against the French in one of the wars between England and France. A moment ago, in answer to the hon. member for Victoria-Carleton, the minister gave us a breakdown of expenditures

for 1949-50 which, as I have totalled them, amount to $78,000, although only $45,000 is voted. Is that correct?

Mr. Winters: I shall have to re-check that.

Mr. Browne (St. John's West): I took down the figures given to me. I should like to know the amount spent on salaries and wages last year, as well as the amount spent on the acquisition and construction of buildings, and the two following items which refer to the repair and upkeep of buildings and the acquisition of equipment. I presume the officials have that information. Referring to the first item, what was spent on salaries and wages last year?

Mr. Winters: The officials inform me they have not the information of expenditures for last year on specific items such as that. They have the over-all expenditures on the parks item.

Mr. Browne (St. John's West): I thought the minister told us a while ago that they did have these expenditures, and I presumed he gave us the figure for the sundries, beginning with an item of $17,000 for advertising. The figures given totalled $78,000. If the minister has not the details, can he get them?

Mr. Winters: We can get them, yes.

Mr. Browne (St. John's West): I should like to have the figures on salaries, acquisition and construction of buildings and works, repair and upkeep of buildings and works, and the acquisition of equipment. Then, what amount out of this $10 million does the minister expect to spend in Newfoundland this year?

Mr. Winters: The amount earmarked against this for Newfoundland in 1950-51 is $10,000 for surveys.

Mr. Browne (St. John's West): That is $10,000 out of $10 million.

Mr. Gibson: Give us time to take a look at it.

Mr. Browne (St. John's West): It is over a year now.

Mr. Hatfield: What has been the cost of the national park in New Brunswick? What has it cost to date, and has it been completed? What will it cost when it is completed?

The Deputy Chairman: May I ask hon. members to stand when they wish to ask a question. Otherwise it is very difficult for the *Hansard* reporter to know who is speaking.

Mr. Graydon: He did stand up in the first instance.

[Mr. Browne (St. John's West).]

Mr. McIlraith: A long time ago.

Mr. Graydon: You are living in the past, anyway.

Mr. Winters: So far the expenditure has been about $850,000. The expenditure earmarked for the park this year is $978,855. There are continuing expenses in a park such as that. I would imagine, at a rough guess—and it is always dangerous to guess—that another million dollars beyond the amount I have mentioned would complete the work.

Mr. Bryce: I have not had the opportunity to visit some of these national parks, but if they are all as well maintained as Riding Mountain park in my own province, then I shall be content. The display of flowers in that park last year was a credit to the parks administration. I had the opportunity of taking some coloured photographs and showing them to the minister.

Have the camp sites in that park been extended, and have more been established this year? Has the electrical wiring been continued past the three or four streets, and have more sewers been laid? I believe it was the intention of the department to do that work last year, and I should like to know if it has been done. Otherwise it would be a menace to the park to have visitors who come there using coal oil lamps when they could use electric lights if the cable were extended another two or three streets.

Mr. Winters: Some of the work to which the hon. member refers has been completed, and some is being done this year.

Mr. Hodgson: I am not satisfied with the answer I was given. Cannot the minister give a breakdown of the travelling expenses for last year?

Mr. Winters: We have not a detailed breakdown before us now.

Mr. Hodgson: What was the total amount spent last year in travelling expenses?

Mr. Winters: I understand from the officials that the accounts are just closing, and that at the present time we do not have the total amount spent last year.

Mr. Hodgson: I thought the accounts closed at the end of March?

Mr. Charlton: In view of the fact that there is an amount of $10,138,886 to be spent by this department, and almost $8 million of that is for the acquisition or construction of buildings, repairs and upkeep of buildings and works, and acquisition of equipment, I should like to bring to the minister's attention one important historic site located on

the Six Nations Indian reserve at Brantford. I am sure most hon. members will remember Chiefswood, as the birthplace of Pauline Johnson, which is now in a state of bad repair. I am sure it is beyond the means of the Six Nations council to undertake the necessary rebuilding. I would urge the minister to use all possible influence to allocate part of this $8 million to be used as a grant to help the Six Nations council to repair Chiefswood.

Mr. Fulton: I understood the minister to say that in the breakdown of sundries there is an item of $17,000 for advertising. Is that correct?

Mr. Winters: The actual expenditures in 1948-49 for advertising were $17,000.

Mr. Fulton: What was the purpose of the advertising?

Mr. Winters: Largely for the calling of tenders for various projects in the national parks and to inform people of events of interest that are to take place in the parks.

Mr. Browne (St. John's West): The figures the minister gave me were for 1948-49?

Mr. Winters: That is what I said.

Mr. Browne (St. John's West): They total $78,000.

Mr. Winters: Yes, that was the total for 1948-49.

Mr. Browne (St. John's West): I am afraid the minister is wrong because the amount for sundries shown in the public accounts for 1948-49 is $91,000. I should like to have some explanation of that discrepancy.

Mr. Winters: The hon. member is quite right in his addition.

Mr. Browne (St. John's West): The amount is given as $91,000 in the public accounts.

Mr. Winters: I have not the public accounts before me.

Mr. Browne (St. John's West): I can send them over to the minister.

Mr. Stanfield: What is going to be done about the proposed Blomidon national park which the government said before the last election it would build? During the last campaign many ministers and others were running up and down the country trying to convince the people of the wonderful park they were going to build if the Liberal government was returned. The Liberal government was returned and we have not heard anything about the park since. As the minister knows, that park would be situated in the middle of the Annapolis valley which is the centre of the most flourishing tourist business in Nova Scotia as well as being an historic site. I understand the provincial government is anxious to have the park constructed and the Liberal government said they were going to build the park. We do not intend to let them off without a statement as to why they are not going to build it. I think we should have a statement from the minister as to the situation with regard to that park in Kings county.

Mr. Fulton: He is saving it for the by-election.

Mr. Winters: I made no such promise. If certain people made such a promise all I can say is that it is "small potatoes" compared to what I have heard from members of the party to which my hon. friend belongs.

Mr. Drew: There is a lot to do before they catch up.

Mr. Smith (Calgary West): They have all their small potatoes still left down there.

Mr. Winters: That is a beautiful area regardless of any political connotation my hon. friend wishes to read into it.

Mr. Stanfield: I was not trying to read any political connotation into it at all.

Mr. Winters: I do not think my hon. friend should generalize. To my knowledge no one has made a promise. There has been discussion and correspondence between the Nova Scotia government and the department. The site has been surveyed but before an area can become a national park it must be offered by the provincial government. So far there has been no offer and it has not been decided whether the area is suitable for a national park and whether the Nova Scotia government should be invited to make an offer.

Mr. Browne (St. John's West): What figures is the minister using to base his estimate on? Surely he is not relying on the 1948-49 expenditures when he has the 1949-50 expenditures to go by? How does he come to have this estimate? There was a supplementary estimate of half a million, but it included no sundries.

Mr. Winters: The items I have indicated to my hon. friend are the type of item that come under this general sundry item. If the hon. member wishes specific information we will get it and send it to him.

Mr. Black (Cumberland): As the hon. member for Colchester-Hants has said, there is only one major park in Nova Scotia and a great many people are looking forward to the construction of Blomidon park. I should like to have some information as to what is being spent in the Highlands national park

in northern Cape Breton. Has any contract been let? How many tenders were received? Who was the successful tenderer?

Mr. Winters: The amount earmarked for Cape Breton Highlands national park is $1,338,478. It is for the construction of the Cabot trail from Ingonish to South Mountain including bridges, and the reconstruction of the Cabot trail from South Mountain to Cabot bay, including bridges and culverts, also the construction of low-rental tourist accommodation. The contract for the road work has been let. As I recall, there were three tenderers, the successful tenderer being the Fundy Construction Company.

Mr. Black (Cumberland): What mileage is covered by the tender, and how many miles of the Cabot trail have been constructed? I think the original mileage was 186 with the trail starting at Baddeck and returning to the same point. I understand it has since been shortened a few miles by eliminating curves and bends.

Mr. Winters: In 1948-49, 6·2 miles were completed; in 1949-50, 8·2 miles were completed and in 1950-51 a proposed mileage of 15·5 will be completed.

Mr. Black (Cumberland): Has that mileage been graded and hard-surfaced?

Mr. Winters: It is not hard-surfaced yet.

Mr. Black (Cumberland): That mileage is still to be hard-surfaced?

Mr. Winters: That is correct.

Mr. Fulton: If anyone looks at the breakdown on page 250 he will see that four persons have been added to the branch under the category of permanent and temporary assistance. Then there is a large item for casuals and others, although the number to be employed is not given. With an increase of only four in the number of personnel the total amount for salaries and wages has gone up $119,000 over last year. It seems that there is a large increase not altogether accounted for unless it be by casuals and others. If it be by casuals and others it would seem that the department must be intending to undertake a good deal of extra work this year over what was done last year. Can the minister explain the reason for the increase and say whether I am right in that assumption?

Mr. Winters: The increase to which my hon. friend refers is something of the order of 10 per cent which is taken up by increases and adjustments of salaries.

Mr. Fulton: Does that apply to casuals and others, the item for whom has gone up $42,000?

[Mr. Black (Cumberland).]

Mr. Winters: There have been increases in wages for casuals, and in many instances they will be employed for a longer period this year.

Item agreed to.

367. Trans-Canada highway—surveys of route in Banff and Yoho national parks, $25,000.

Mr. Johnston: First of all I should like to congratulate the minister on taking immediate steps to have the trans-Canada highway surveyed through the national parks. It would indeed be a shame if the rest of the highway were completed and the section within the national parks were not. I think the minister deserves credit for getting this part of the work done. Under the survey which is going to be conducted in the national parks is provision being made at this time for a four-lane highway, and is the national highway to be of sufficiently sound construction to carry freight hauled by motor transport? As the minister knows, it has been the policy of the present government to prohibit the passage of motor transports carrying freight through national parks. This affects us particularly in western Canada because it absolutely prohibits the transfer of freight by motor transport from the prairie provinces to the province of British Columbia. The federal government has put an embargo on the transportation of freight through the national parks. To my mind it is not good enough merely to have a highway so that people in motorcars may enjoy the scenery and prohibit the transportation of freight. I do not think that is the intention of the minister. In fact I am quite sure it is not, but inasmuch as it is the policy of the government I should like to know what provision is being made to have the road surveyed in such a way that it will be wide enough, and to provide for sufficiently sound construction to permit the transportation of freight and tourist traffic through the parks.

Mr. Winters: The trans-Canada highway through national parks will be of the same standard as the trans-Canada highway elsewhere in Canada.

Mr. Johnston: Is that a four-lane highway?

Mr. Winters: It is a two-lane highway. The basic specification calls for a hard-surfaced road 24 feet wide with 10-foot shoulders on each side, where obtainable. The loading permitted on the highway will be in conformity with that permitted on the highway elsewhere in Canada, and in conformity with the regulations of the province through which that part of the highway goes.

Mr. Johnston: Then I can take it if the province allows certain haulage on its provincial highways the same traffic will be allowed through the national parks. Is that right?

Mr. Winters: That is the general policy being considered for the trans-Canada highway through national parks.

Mr. Johnston: Will that be the policy of the federal government?

Mr. Winters: That is the policy of the federal government.

Mr. Johnston: Of course the minister is aware of the fact that the federal government does not now permit the haulage of freight through national parks. I do not know whether it is because they are trying to bolster the inefficiently run C.N.R. railway which goes in the hole every year, but certainly we should not allow them to say that the roads are not to be constructed in such a way as to carry freight over them.

Mr. Mutch: A fine example of irresponsibility.

Mr. Fulton: I am not quite clear as to the implication of what the minister said. When the highway is completed it will pass through Banff and Yoho national parks. Will through trucking be permitted? Will trucks be permitted to enter from the west, pass through the parks and leave at the east exit, and vice versa, without off-loading onto another vehicle in transit?

Mr. Winters: Yes; that will be the arrangement.

Mr. Green: Under the statute the trans-Canada highway need not be completed for several years.

Mr. Winters: Seven years.

Mr. Green: Is it the intention that this road may be used by trucks this year, or will the new policy be held in abeyance until the whole trans-Canada highway has been completed in British Columbia?

Mr. Winters: I am not familiar enough with the type of road existing through the parks at the present moment to be able to say. That will depend on the engineering standard of the road, but I can say that when the highway is completed and we are satisfied the standard is satisfactory to carry the traffic, which is what we are aiming at, we will allow the through transport of commercial vehicles.

Mr. Green: Is the road being completed this year in the national parks, or when is that work to be done?

Mr. Winters: We have the same restriction imposed upon us, that there will be a period of seven years in which we can complete the road.

Mr. Johnston: I feel quite certain from what the minister has said that he hopes—and I use that word advisedly—that when the road is constructed freight hauled by motor transport will be allowed to enter one gate of the national park and pass right through to the gate on the other side. I hope that policy has the approval of the Minister of Transport. If it has not, the condition will be the same as it is now. Motor transports carrying freight may enter the east gate of Banff national park and proceed as far as Banff but they cannot go on through. You cannot haul a load of freight by motor transport right through the park. That is a ruling made by the board of transport commissioners under the Department of Transport. The minister may be quite sincere—and I am sure he is—when he says that he desires freight to go right through the parks from Alberta to British Columbia.

An hon. Member: He said it would.

Mr. Johnston: He said it would, and I am quite convinced that the minister is of that view. What I want to know, however, is whether that policy has the approval of the Department of Transport.

Mr. Winters: The restriction my hon. friend refers to is a park regulation.

Mr. Johnston: No. You must understand that park transportation is controlled by the Department of Transport. It is the Department of Transport that lays down the ruling.

Mr. Winters: I am told by the officials that there is no restriction imposed by the board of transport commissioners. The restriction is one laid down by the parks branch.

Mr. Johnston: For what reason?

Mr. Winters: It was a matter of regulating traffic on the road.

Mr. Johnston: Was it because the road was not in sufficiently good condition to carry freight, because they did not want the freight to be taken away from the railways, or because they did not want to frighten the wild animals?

Mr. Winters: It was a matter of the adequacy of the highway.

Mr. Johnston: I should like to pursue that one step further. I am glad that the minister has stated that the reason such traffic was not permitted was that the highway was not able

to carry it. My information is just the opposite to that, and it comes from a very reliable source. My information is that it is the policy of the government. In fact the statement was made in the public accounts committee a few days ago that it was the policy of the government to prohibit truck traffic in the national parks. Of course that is right along the line of closing the national parks to trucks. I am going to take the minister's statement as the truth. I hope it works out that way, though I am still a little sceptical, not of the minister's statement but of the policy of the government. After this highway is completed I hope the minister will see to it that trucks are allowed to pass through our national parks.

Mr. Smith (Calgary West): Following that same line, going out the west gate the highway goes around Big Bend, and it is purely a gravel road. Certainly from personal observation I would agree with those who believe it is not ready for heavy freight yet. But that is not what bothers me at the moment. Here we have an expenditure of $10 million with respect to parks. It may be that I have missed the boat under item 366. I was referring to the details on page 250, where these million dollar expenditures are shown, and we have not heard a word about them yet. However, if that section has been passed I accept the fact and am not going to ask for any favours.

Now we are dealing with item 367, which provides $25,000 for surveys of the route. I will leave the other matter as my own misfortune, but dealing with this item of $25,000 I should like to know where it is intended to spend that money, in view of the fact that the route of the trans-Canada highway through Alberta and British Columbia has been agreed upon. Where and how are you going to spend $25,000 on surveys for a road which is now very well established?

Mr. Winters: This amount is to cover location surveys for the road through our national parks, not through the provincial areas of Alberta or British Columbia. It is not at all certain that the present route of the highway through those national parks is the best, and it is proposed to run location surveys to determine whether the trans-Canada highway should be relocated through the national parks or whether the existing routes are the best available.

Mr. Smith (Calgary West): Let us take the route from the east gate, which is in the neighbourhood of Campbell. That has been altered. Then take the route west from there. I happen to know that country rather well, and I was wondering if the minister could tell me where it was contemplated that this surveying would be done within the park. I am not speaking of what may happen outside the park, but I would like to know where you intend to spend this money, near what town or place?

Mr. Winters: The survey parties are not going to be tied to any location. Their instructions will be to go in there and make location surveys, to survey the general area and find out what would be the best route for a road. That is common practice.

Mr. Smith (Calgary West): That is rather overdoing it, is it not? These survey parties have gone through there time and again; and I can assure the minister that the route within the park is well located at the present time. As a matter of fact the western end was rebuilt within very recent years; that is the approach into Lake Louise from Banff.

Mr. Winters: It may very well prove to be the best route.

Mr. Smith (Calgary West): I am sure it is, and my opinion will not cost $25,000.

Mr. Byrne: I am quite familiar with the area in question, and I am quite sure that if these surveys are made as cheaply as the pipe line surveys were made, for instance, the whole of this $25,000 will not be required. However, that is difficult terrain, and this survey will require a considerable time. With the river and gorge—

Mr. Smith (Calgary West): There is no gorge.

Mr. Byrne: —it is going to be very difficult to properly survey a good route. However, that is not what I intended to deal with. There has been some confusion with respect to transport trucks going through the park. Owing to my intercession last fall the department relaxed their restrictions on trucking to the extent that at the present time farmers are allowed to take trucks weighing up to three tons through the park. Then I have had assurances, and I know similar assurances have been published, that when the trans-Canada highway is completed transport trucks will be permitted to traverse that highway just as if it did not go through the parks. Everyone knows the federal government would not undertake these expenditures and then have trucks stopped at each gate of the park.

Mr. Black (Cumberland): The minister gave certain standard specifications for the highway. I should like to know the standard specifications for the right of way. Is it to be 100 feet or 66 feet?

Mr. Winters: The conference last December agreed that the optimum right of way would

be 100 feet, but that there were certain circumstances in which 66 feet would have to be accepted; and we have agreed to that. We hope most provnces will be able to provide a minimum of 66 feet, but we also have regard to the fact that in certain areas of British Columbia and perhaps Newfoundland and elsewhere it may not be possible to attain even that. However, we hope every effort will be made to do so.

Mr. Black (Cumberland): I think that is a sound decision. I know in Nova Scotia and particularly in Cape Breton when we were building what we considered to be the trans-Canada highway back in the thirties, the right of way was 100 feet. Then I should like to know what progress is being made toward the conclusion of a contract with the province of Nova Scotia. If it has not yet been agreed upon I should like to know what is holding up that contract.

Mr. Winters: There is a vote for the trans-Canada highway, if my hon. friend would care to defer his question until then; or with your permission, Mr. Chairman, I can answer it now.

The Chairman: The minister may answer it, but I think it is quite out of order on this item.

Mr. Winters: There is another item for the trans-Canada highway.

Mr. Black (Cumberland): That is the $20 million item?

Mr. Winters: Yes.

Mr. Black (Cumberland): That is a statutory item. We have been carrying on a rather extensive discussion of the trans-Canada highway under this item of $25,000, but if the minister prefers I have no objection to waiting for the other item.

Mr. Winters: This is just in the national parks of Yoho and Banff.

Mr. Black (Cumberland): That will be all right, if it is the wish of the minister.

Item agreed to.

370. National Museum of Canada, $250,000.

Mr. Fraser: I want to ask a question about a song book that came to my desk from the national museum entitled "Come A-Singing". Can the minister tell me how many of these song books were printed, or why they were printed? It is headed, "National Museum of Canada" and on the inside it gives the price as 25 cents and says it was printed by the king's printer.

Mr. Sinclair: Sing one of the songs.

Mr. Fraser: The only song I can sing well is "Far, Far Away." These are Canadian folk songs, and I wondered whether other books of this kind were printed, and if so how many of each and how they were distributed. I should also like to know what the cost was.

Mr. Winters: I have not seen the book to which my hon. friend refers. The national museum has quite a collection of old folk songs of various types which they usually try to have reduced to steel tape recordings, and eventually to get them on paper in the form of books. We have no record before us now of how many of that particular publication there were; but I can find that out and give my hon. friend that information.

Mr. Fraser: I wish the minister would find that out and also what other books the national museum publishes. I think we should have that information for the record; and I think we should know what they are costing. Songs of this kind perhaps are all right, although I am not too keen about the illustrations in the song book. I think the minister should have a look at it also. If he wants to see it, I will let him have it.

Mr. Winters: I will get the information and give it to my hon. friend.

Mr. Fulton: In connection with this item, on page 251 in the details a breakdown is given showing field surveys, $31,000. What field surveys does the national museum conduct?

Mr. Winters: I have a note here which says that last year the national museum was able to extend its field activities on the amount of money voted owing to the fact that the geographical bureau looked after the field expenses of two of the museum field officers, and also owing to the fact that two other scientists worked without remuneration, and all the parties put in a shorter season than was desirable.

Mr. Fulton: That does not sound good to me. I think the minister should read on.

Mr. Winters: The surveys are: botanical surveys, for which we have an amount of $4,600; zoological surveys, $7,000; archaeological surveys, $10,600; and ethnological surveys, $8,800.

Mr. Fulton: Why does the national museum carry on these surveys when in the Department of Mines and Technical Surveys there are survey branches? I do not quite see the need for field surveys by the national museum.

Mr. Smith (Calgary West): Looking for trilliums.

Mr. Winters: I would think, Mr. Chairman, that these would be two quite different fields. The technical surveys which the Department

of Mines and Surveys is responsible for are topographic, hydrographic and geodetic surveys and the like.

Mr. Fulton: I thought the minister said geological surveys was one type.

Mr. Winters: I said zoology, archaeology, ethnology and botany; surveys in natural history.

Mr. Fulton: In connection with this item, which is $31,000 for this year, how are the costs differentiated from travelling expenses?

Mr. Smith (Calgary West): They are not.

Mr. Fulton: They are a separate item.

Mr. Winters: The travelling expenses of the people engaged in those survey parties are included in that $31,000.

Mr. Fulton: Just the people in the survey parties?

Mr. Winters: Just the people in the survey parties. The other people in the museum who travel have their travelling expenses shown under the other item.

Mr. Adamson: Has the minister the report on the pre-glacial botanical discovery made by Dr. Porsild comparatively recently in the Northwest Territories?

Mr. Winters: The report is not in yet.

Mr. Adamson: It was reported at some length. It has been one of the outstanding botanical discoveries of the century. It was reported in the New York *Times* comparatively recently. I wonder if it is possible to have a copy of the report, because it is of some considerable botanical importance.

Mr. Browne (St. John's West): A few moments ago when we were dealing with another item, I was told that the department is using the 1948-49 expenditures in connection with the illustrations of the estimates. In the public accounts I find that the expenditures for 1948-49 for the national museum were only $144,000. Then the estimate for 1949-50 went up to $209,000 and this year it has gone up another 25 per cent to $250,000. I think the minister should give some explanation of that increase.

Mr. Winters: The museum is an organization that has been neglected for a long time. It had been behind in its field work and in its publication of various scientific activities and findings. I am told, and I have every reason to believe it is correct, that the amount voted this year is certainly not too much for the sort of museum we should have as a national museum of Canada. The fact is not that this is too much; it is that the other amount to which my hon. friend referred was far too little.

[Mr. Winters.]

Mr. Browne (St. John's West): I agree with that view. But you have not the place to put the exhibits. You will have to get another place. That building down there is not sufficient.

Mr. Smith (Calgary West): Parliament sat there once.

Mr. Herridge: My view would be that there are not sufficient funds available to do the work that a national museum in Canada should be doing.

Mr. Winters: That is what I said.

Mr. Herridge: I hope that this committee will support the granting of more funds for this purpose in the future. I am of the opinion that our national museum has a shoddy appearance inside. Are there any proposals or plans for improving the interior of the present building or for extending the national museum?

Mr. Smith (Calgary West): Where is it?

Mr. Herridge: I think that is most necessary.

Mr. Smith (Calgary West): Do you know where it is?

Mr. Herridge: Yes. I have been there several times.

Mr. Winters: Yes, Mr. Chairman, that matter is receiving active consideration; and we hope some improvements will be made in the near future.

Mr. Adamson: Actually, there is more material stored and out of sight in the museum than there is on view.

Item agreed to.

Development services branch—

371. Lands division—administration of dominion, ordnance and admiralty, and public lands; seed grain collections, $282,200.

Mr. McLure: What does the seed grain collection have to do with this ordnance and admiralty, and public lands administration?

Mr. Winters: These are as a result of advances made years ago in western Canada when the lands were still administered by the federal government and the responsibility for collections still remains with this department.

Mr. Fulton: An increase is shown here in total salaries of $32,000, and only one more person is shown in the breakdown at page 251. I understand that there have been increases in salaries, but this is a good deal more than 10 per cent. One approves of the increases that have been made in the civil

service scale, but why should the addition of one person in the department result in an increase of $32,000 in salary?

Mr. Winters: This is a matter of salary increases and adjustments of salary, and also transfers between departments on the formation of the new department from the old department. It is entirely a matter of increases and adjustments.

Mr. Fulton: I can appreciate that there has been some difficulty in making a breakdown of personnel from the old department to the new. The breakdown that is given here shows a personnel of 82 employed in the Department of Resources and Development, lands division, last year; whereas there are 83 employed on the same work this year. Therefore there is only one extra person doing this work in the lands division this year and yet the same people appear to be getting $32,000 more this year than last year. That is more than 10 per cent.

Mr. Winters: If my hon. friend goes through the breakdown that we are discussing he will find that there are ten people under the classification of clerks this year as against six last year; although there is just one over-all increase, he will see that there are changes at different levels which account for the difference in salaries.

Mr. Hodgson: I have to go back to the travelling expenses again. I see they are five times as high this year as they were last year. Last year they were $500; this year they are $2,500. Can the minister give us a little explanation of that?

Mr. Winters: What was the figure my hon. friend referred to?

Mr. Hodgson: I was mistaken. The increase is from $10,000 to $14,000.

Mr. Winters: That is right. Last year the expenses of the travelling auditor were paid by the comptroller of the treasury. This year his travelling expenses are paid out of this vote, which would account for some of the increase to $14,000. Of course, the $14,000 is an estimate of what we think will be required this year.

Mr. Low: I wish to ask the minister a question in connection with surveys. I notice that $10,000 is allocated for surveys. By whom are the surveys made? Is the geographical section of the general staff of the army employed on this work?

Mr. Winters: What is the amount my hon. friend is asking about?

Mr. Low: It is my mistake; it is only $1,500.

Mr. Winters: Yes.

Mr. Low: Are army personnel of the geographical section employed on this type of work?

Mr. Winters: No; this is just for surveys of lands that are being sold under the act, under this section.

Item agreed to.

Northern administrations—Arctic division—

378. Operation and maintenance of services, including Eskimo affairs, $300,935.

Mr. Fulton: This item reads:

Operation and maintenance of services, including Eskimo affairs.

What services does this department supply to the Eskimos? Are there any similar services supplied by the Indian affairs branch of the Department of Citizenship and Immigration?

Mr. Winters: No; there is no duplication. This department is responsible for matters pertaining to Eskimos, and is quite separate from any work done in the field on behalf of Indians.

Mr. Harkness: What matters in connection with Eskimos does this particular subdivision of the minister's department deal with?

Mr. Winters: The purpose of this vote is to provide for salaries and expenses connected with the administration of the Northwest Territories Act, ordinance and regulations and order in council P.C. 709 of August 31, 1927, within the Arctic areas of the Northwest Territories, including the districts of Keewatin and Franklin and the coastal area of the Mackenzie district; Eskimo affairs, excluding medical care and hospitalization within the province of Quebec, education, welfare, investigations leading to improvement of native economy, development of handicrafts, administration of justice, inspections, preparation and publication of factual material, acquisition and maintenance of equipment and purchases of supplies and so on.

Mr. Harkness: Education of Eskimos and welfare work would come under the Department of Citizenship and Immigration?

Mr. Winters: No; for Eskimos it comes under this department.

Mr. Harkness: They also have a vote for it in the Department of Citizenship and Immigration. Heretofore we have always dealt with it under that division. They certainly have a vote for Eskimos so far as hospitalization and welfare are concerned. We had quite a discussion last year in connection with the payment of family allowances to Eskimos under the Indian affairs branch.

Mr. Winters: No; the Indian affairs branch has not had anything to do with the affairs

of Eskimos. That has been the responsibility of this branch.

Mr. Hodgson: I notice that this vote calls for a total expenditure of $25,385 for salaries and wages. Last year the amount was $500. Can the minister explain that increase?

Mr. Winters: It is due to the educational system under which we operate. We now have a number of schoolteachers that we did not have before. This large increase is attributable to the increase in the number of schoolteachers for Eskimos.

Mr. Hodgson: Can the minister explain the allowances of $7,200?

Mr. Winters: That is $1,500 for married men working in the department in the district, and $900 for single men.

Mr. Fulton: What is the reason that the Department of Resources and Development is responsible for Eskimo affairs when another branch of another department is looking after Indian affairs? From what the minister says the two of them appear to be carrying on much the same activity in their respective spheres. Would it not be more efficient to have the Indian affairs branch deal with both Indians and Eskimos?

Mr. Winters: No; that of course is a matter that receives consideration from time to time. This department is charged with the administration of the Northwest Territories and the Yukon. The predominant people up there are the Eskimos. They live under conditions different from the Indians, and a great attempt has been made to assimilate them into modern ways of life and so on. They are not the same type of wards as Indians are, and the over-all conditions are sufficiently different that it would appear to be the proper thing to do, so far as we are concerned at any rate, to have them included in the northern administration of this department.

Mr. Fulton: There is an increase in sundries under this item from $42,000 to $96,000, or an increase of $54,000. What is the explanation for that?

Mr. Winters: The item of sundries totals $96,500, made up as follows:

Film rentals, advertising teachers' positions, miscellaneous		$ 1,500
Relief of indigent Eskimos of Quebec,	$30,000	
Relief of indigent Eskimos of Labrador	25,000	
		55,000
Allowance for old age Eskimos		12,000
Investigation and removal of Eskimo families to areas where game is more plentiful		3,000
Rehabilitation of Eskimos, including those who have been victims of polio		25,000
		$96,500

[Mr. Winters.]

Mr. Fulton: I should like to make a suggestion. As we go through these details we see large items for sundries which, on the surface, appear to be open or general expenditures accounts. In most cases, at least in this department, there has been a complete explanation of how those are made up. I suggest that in future years the minister consider including that detail in his estimates.

Mr. Winters: I shall certainly bring it to the attention of the Minister of Finance and treasury board.

Mr. Fulton: Does the minister have no responsibility in respect of the detail in which he breaks down his estimates?

Mr. Winters: We are governed as to how they are printed by the Department of Finance and treasury board.

Mr. Drew: That is quite contrary to the information I understood we received from Mr. Bryce. I understood the explanation as to why there was not uniformity was that the minister in each department was responsible for the manner in which his estimates were presented.

Mr. Winters: Well, as I said, I do not think it is a major point, so far as I am concerned. I should be very happy to break them down. I simply said that I would bring it to the attention of my colleague and consult him on it.

Mr. Fulton: Looking through the public accounts for 1948-49, the last volume available, we find that for the department of mines and resources, as it was then known, there is a total expenditure for Northwest Territories, Arctic division, of $110,000. Of the sundries only $2,000 was expended. We now have a breakdown showing sundries of $96,500. Are these new expenditures—particularly the large items of welfare which the minister detailed?

Mr. Winters: Yes, they are new expenditures.

Mr. Browne (St. John's West): Do the Eskimos of Labrador come under this vote?

Mr. Winters: The matter of how Eskimos in Labrador will be handled has not finally been settled. However, we have put $25,000 in here for the relief of indigent Eskimos.

Mr. Browne (St. John's West): In Labrador?

Mr. Winters: Yes, in Labrador. And at the same time we are working on a final settlement with Newfoundland as to how this should be handled.

Mr. Adamson: Are the herds of reindeer which support the Eskimos now self-supporting?

Mr. Winters: Some of the herds are self-supporting and some are not. A great deal of attention has been given to that, as my hon. friend knows. Suitable Eskimos have been picked out and put in charge of reindeer herds, to take care of them and do what they can by way of protecting them.

Mr. Adamson: Are the herds increasing, and is the experiment a success?

Mr. Winters: The answer is yes.

Mr. Harkness: I see here an item for hospitalization, professional and other special services. Do I understand that this department looks after the hospitalization and medical care of Eskimos?

Mr. Winters: The hospital expense shown here is for indigent whites and half-breed patients in hospital.

Mr. Harkness: The minister's department has no responsibility for the hospitalization and medical care of Eskimos?

Mr. Winters: That is correct.

Mr. Harkness: That comes under the Department of National Health and Welfare.

Mr. Winters: That is right.

Mr. Hodgson: While last year there was no expenditure for temporary assistance, the amount this year is $24,285, and a further amount of $1,100 for casuals. Will the minister explain that, please?

Mr. Winters: The temporary assistance is largely for welfare teachers, grade III. There are listed six welfare teachers.

Mr. Hodgson: Is that something new this year?

Mr. Winters: Yes; the rest is for labourers.

Mr. Hodgson: The expenditure for supplies and materials has increased from $5,000 to $41,500; can the minister explain that?

Mr. Winters: The expenditures are as follows:

Direct relief to indigent whites, Eskimos, and those of mixed blood living in the Arctic area, Northwest Territories	$25,000
Fuel for heating school and teachers' residences	10,000
Food for noon-day lunches for about 400 Eskimo school children	2,500
Films, rations for teachers, miscellaneous items	4,000
	$41,500

Mr. Drew: Where do they use telephones and telegraphs up there?

Mr. Winters: It is a matter of communication, wireless messages to and fro.

Mr. Drew: From where?

Mr. Winters: Mostly from Ottawa.

Mr. Drew: If they were wireless messages they would be sent from the government stations as a direct operation.

Mr. Winters: I am told that if we use the facilities of the Department of Transport we pay their operating tolls; if we use the facilities of the Department of National Defence we are able to send the communications free of charge to the department.

Mr. Drew: Do you pay for that here?

Mr. Winters: We pay the tolls charged by the Department of Transport out of this vote.

Mr. Drew: It was explained to us yesterday by the Minister of Finance that all departments are now paid through the Department of Finance.

Mr. Winters: The fact of the matter is that this amount is required for telegraphic communications to the area concerned.

Mr. Applewhaite: Under the heading of northern administration this committee has passed without the slightest hesitation or criticism items totalling approximately $5 million, but we now have some petty little sum of $300,000 to be spent for the benefit of our Eskimo population and it is being picked to pieces. I trust sincerely that neither the minister nor the government will assume from that that this country begrudges the small amount we are now expending upon the Eskimo population and which in my opinion might well be increased without in any way over-pampering the Eskimo.

Mr. Hodgson: It has been doubled in one year.

Mr. Drew: Having heard this—I hesitate to use the term "claptrap"—

Some hon. Members: Oh, oh.

Some hon. Members: Shame.

Mr. Applewhaite: I rise on a question of privilege. I am not certain whether the word "claptrap" is parliamentary but assuming that it is not I am willing to consider where it comes from and let it go at that.

Some hon. Members: Oh, oh.

Mr. Drew: We have the trained seals again. Let us come back to the item. This is the kind of item that should be explained, not from the point of view of taking care of the Eskimo, about whom other hon. members are just as concerned as the hon. member who has just made these utterly inane remarks—

Some hon. Members: Order.

Mr. Drew: I am simply asking where this payment is made. I ask that because it is important that we know through which channels these things are handled.

Mr. Murray (Cariboo): Recently there was an outbreak of poliomyelitis among the Eskimo and it is thought that these germs were brought down the Mackenzie river—

Mr. Drew: They are not brought by telegraph.

Mr. Murray (Cariboo): —by white men. No doubt they originated with troops from the southern states who were brought up to build the highway and airport.

Mr. Smith (Calgary West): They are brought by telephone.

Mr. Murray (Cariboo): Probably some money was spent on telephone communications by the government in order to get doctors and nurses to help the Eskimo. The Eskimo is a law-abiding decent little sort of man, although he may be slightly unusual in his marital relations according to our beliefs. However, he is a citizen of Canada and is entitled to just as much consideration as anybody else. I think this money is being well spent on hospitals, doctors, nurses and schoolteachers.

Mr. Smith (Calgary West): We were told a minute ago that we should stay on the item, but could we get further away from the item than this?

Mr. Drew: This is not a single item, nor is it a case of the concern that hon. members of this house may have for the Eskimo. I do not think there is any doubt that everyone here is anxious to see them cared for. This item of telephones and telegrams is repeated under the various headings, and in this case I am simply asking where this is paid and to whom.

Mr. Winters: As I said before, this is paid to the Department of Transport for the dispatch of messages by radio telephone and by ground wires which deal with the administration of the Arctic areas, including messages to and from vessels other than the *C. D. Howe*.

Mr. Smith (Calgary West): Is that a vessel?

Mr. Hodgson: At the bottom of page 254 there is an item of $30,000 for acquisition of equipment. Last year this item was only $400 and I think there should be some explanation.

Mr. Winters: This item of $30,000 is to cover miscellaneous small items required by officials of the eastern Arctic patrol, and includes the purchase of two 16 mm. film projectors; handicrafts; home economics; manual training; athletics; musical instruction; school equipment for the new school at Coppermine; school equipment for the new school at Pond Inlet; school equipment for another new school at Iglookik; equipment for seasonal schools, nursing stations, and additional equipment for five schools already established; it also includes six radios; six record players; fifteen film strip projectors; furnishings for three teachers' residences.

Mr. Hodgson: Those are all new projects this year?

Mr. Winters: Yes.

Item agreed to.

Engineering and construction service—

380. Engineering and construction services, $500,000.

Mr. McLure: Is this construction work carried on in the national parks? A lot of surveying and engineering work was done in connection with a bridge in the national park from Rustico harbour to Robinson's harbour, and then a roadway to the other end of Robinson's island with another bridge connecting with Covehead. I have not been able to get very much information with reference to this matter from the minister and I should like to know whether the surveying of this bridge has been completed and when construction of the bridge will start.

Mr. Winters: This is still a matter of discussion. The survey has not yet been made.

Mr. Browne (St. John's West): Public accounts show that on March 31, 1949, there were 99 employees in this division. The estimates show that in 1949-50 there were 122 employees, and for 1950-51 the number is increased to 141. The cost has gone up from $304,000 in 1948-49 to $411,000 in 1949-50 to $500,000 for the current year. I think we should have an explanation when there is such a large increase in a vote like this.

Mr. Winters: For the period of years to which the hon. member referred there has been a considerable increase in the amount of work undertaken by these engineers. The figures I have show that for 1939-40 there was an amount of $1,896,456, with an engineering staff of 54. In 1949-50 this amount had increased to $10,176,778 with a staff of 122.

Mr. Browne (St. John's West): I do not think the minister understood me. I stated that according to the public accounts on March 31, 1949, only a year ago, there were

99 employees. The estimate last year was 122 and this year it is 141. The expenditure has gone down $1 million instead of going up.

Mr. Winters: Mr. Chairman, this department has been shorthanded for some time. We have been attempting to put our engineering work into better shape before contracts are let. It had been the practice in many instances to let contracts in national parks on some basis such as cost plus a fixed fee because the engineering staff simply was not available to undertake the necessary surveys to let contracts on a fixed cost basis. We are now making every attempt to get around that situation and develop our engineering staff to the point where engineering details and drawings can be made available before tenders are called so that contracts can be let on a fixed basis.

Mr. Browne (St. John's West): Have you let any contracts this year?

Mr. Winters: We have let some contracts this year.

Mr. Browne (St. John's West): Have they been let on a fixed cost basis or cost plus?

Mr. Winters: The contracts that have been called have been firm contracts in a sense but only in a sense. They have not been let on the basis of actual unit costs for quantities. They have been let on the basis of a firm price for fees and a firm price for rentals of the equipment involved, which is one of the big items in any road building contract.

Mr. Browne (St. John's West): You have not stated they have been on a fixed cost basis.

Mr. Winters: No, I did not.

Mr. Browne (St. John's West): Because we have been told in the public accounts committee that is a very rare thing.

Mr. Winters: The contracts let this year were, as I said, on the basis of a fixed fee plus fixed rentals for the equipment used in carrying out the contracts.

Mr. Browne (St. John's West): Can you say how many employees you have now in that division?

Mr. Winters: I am told that the number is a few less than the 141 shown in the estimates because there have been some transfers recently.

Mr. Browne (St. John's West): You have some vacancies now.

Mr. Winters: That is right.

Mr. Fulton: As I understand it this amount is for work in the national parks. Why is it not included under the general item for administration of the national parks for convenience of reference, or do they do other general work for the department as well?

Mr. Winters: They do other general work as well, especially in the Northwest Territories and the Yukon. Perhaps I should read the explanation I have before me. The total increase is due mainly to (a) the inclusion of provision for general salary revisions and statutory increases; (b) provision for new positions and additional equipment, services, supplies, et cetera, as a result of the increased activities of the services required to cope with the expanded improvement and development program in the Northwest Territories, the Yukon and the national parks; (c) the constantly increasing price level which affects every service and commodity required in the administration of the various functions of the service.

Mr. Hodgson: Under temporary assistance there is an increase of about $60,000 over last year. The amount for temporary assistance is more than twice that for permanent positions. Can you explain that situation?

Mr. Winters: It is the practice of the department to hire most of these people on a temporary basis and hire them later on a permanent basis if they prove satisfactory. I think that is a common practice. At the present time there is a large percentage of temporary assistants.

Mr. Hodgson: That would be for summer work?

Mr. Winters: Most of it is for summer work.

Item agreed to.

Stony Rapids—Black lake road—

381. Contribution to the cost of constructing a mining road between Stony Rapids and Black lake in Saskatchewan in accordance with the terms of an agreement to be entered into between Canada and the province of Saskatchewan (revote), $12,500.

Mr. Drew: Mr. Chairman, under what statute is this item provided?

Mr. Winters: It is not a statute. It is a vote of parliament which enables this work to be done.

Mr. Drew: There is no covering statute?

Mr. Winters: No.

Mr. Drew: What is the agreement that is referred to?

Mr. Winters: It is an agreement between the government of Saskatchewan and the government of Canada for the carrying out of this work.

Mr. Wright: I should like to ask the minister what percentage this amount is of the total cost of building the road.

Mr. Winters: The total cost of the road is $37,500, and this is the federal government's share.

Mr. Wright: Approximately one-third.

Mr. Winters: Yes.

Item agreed to.

382. Cranberry Portage road—to provide funds for the 1950-51 contribution to the cost of section B, Cranberry Portage to Cuprus mines, of the proposed road between The Pas and Flin Flon in Manitoba, in accordance with the terms of the agreement between Canada and the province of Manitoba, dated September 30, 1948, $32,000.

Mr. Drew: Item 382 is in the same position as 381. It is not covered by any statutory provision and refers to an agreement. This is the type of provision in the estimates that has been under discussion before. Since there are various provisions for highway construction in which the dominion government has some participation, I should like to know whether these are the same type of agreements or whether they are special agreements, and the nature of them. It is not the amount; it is the practice that is of importance.

Mr. Winters: This is an agreement entered into between the province of Manitoba and the Dominion of Canada for a road into Flin Flon. The terms of the agreement were that the cost of the road would be shared on a fifty-fifty basis up to a total expenditure on behalf of the federal government of $437,000. The $32,000 shown in the estimates is the balance of payment on behalf of the federal government.

Mr. Drew: What I am interested in is why this provision for a mining road is not dealt with under the statute which deals with minings roads.

Mr. Winters: I know of no statute for mining roads.

Mr. Drew: There is assistance to mining roads.

Mr. Winters: I am told that to the best of the recollection of the officials before me there is no statute for mining roads.

Mr. Drew: I do not want to extend the discussion. There is a practice—and perhaps it is also covered by votes—of assisting mining roads.

Mr. Winters: Yes, there has been a practice, not by statute but by votes.

[Mr. Winters.]

Mr. Wright: What percentage is the $437,000 of the total cost of this road for which assistance has been given by the dominion government?

Mr. Winters: As I said, it is supposed to represent half the cost of the road. I understand that the total cost has overrun the anticipated figure with the result that the province of Manitoba will probably put up more money as its share than it expected.

Mr. Wright: That is the point at issue. As a matter of fact the province of Saskatchewan agreed to build a road from Nipawin to Flin Flon in 1947, before the Manitoba government decided to build its road into this area. Saskatchewan spent half a million dollars in the construction of that road, building from both ends, but so far this government has not seen its way clear to contribute toward the cost of the construction of that road into this mining area.

Under the previous item, in connection with the construction of a road from Stony Rapids into Black lake, the minister stated that the share of the dominion would be one-third. I should like the minister to explain how he can justify giving assistance to one province to the extent of one-half the cost and to another province only one-third, and just why the province of Saskatchewan should be penalized as compared with the province of Manitoba in connection with the construction of a highway into the mining area of Flin Flon, when Saskatchewan was the first to commence construction of a road on its own account. It seems to me the dominion government should deal with the provinces on an equal basis.

Mr. Winters: Every effort is made to deal with the provinces on the same basis. Each project is different, and different circumstances exist. The project we discussed under item 381 was a three-way project involving a private company, the province of Saskatchewan and the federal government. Item 382 involves only two parties, the province of Manitoba and the federal government. That is why in one case there was a three-way split and in the other a two-way split.

Mr. Wright: The company did not enter into the contract in Manitoba? I can see that in that case the company might not be brought in, though the Black lake project was entirely for the benefit of the mines in that area. It was not intended to assist the general population of the area, because there just is not any population there at the present time. This is simply a road to move mining machinery into that area. Certainly the minister has not given an explanation that satisfies me as to why assistance should have been given Manitoba in connection with the construction of a road

to Flin Flon while Saskatchewan, the first province to commence the project, has not been assisted at all.

The Chairman: Shall the item carry?

Mr. Wright: No, Mr. Chairman. I want some explanation from the minister of the different treatment as between the two provinces concerning assistance in constructing a highway to Flin Flon.

Mr. Winters: I can only repeat that every effort is made to deal with all provinces on the same basis. Certainly there is no discrimination for any reasons other than those arising out of the conditions surrounding a particular project. In the one case the road went through the heart of a mining area and opened up that area. While this was done before my time, I have reviewed the situation and I find nothing that could be construed as discrimination against the province of Saskatchewan. It was a matter of circumstance.

Mr. Wright: There are no other mines along the highway that has been built from The Pas in Manitoba to Flin Flon. It does not open up any mining area; as a matter of fact the possibility of opening a mining area was as great in connection with the construction of the highway from Nipawin to Flin Flon as it was in the construction of the road in Manitoba. Certainly the explanation by the minister cannot be accepted, because the road from The Pas to Flin Flon does not open up any mining area. It is an old area, and the road pretty well follows the railway that was built from The Pas to Flin Flon a number of years ago. On the other hand the road from Nipawin to Flin Flon opens up new forest reserves and possibly new mining areas.

Mr. Weaver: I think I can explain some of the statements just made by the hon. member for Melfort, who has said one or two things that are not quite accurate. In the first place the road from Nipawin to Flin Flon was not the first road to be started. The famous highway from The Pas to Flin Flon was under construction prior to the war, and on the outbreak of war was abandoned half way between The Pas and Cranberry Portage. Work was not commenced on it again until almost three years ago. So that deals with that point. With regard to mining areas, the province received no assistance until this road actually entered what is known as the pre-Cambrian shield at Cranberry Portage, and it is only thirty-eight miles from there to Flin Flon, for which this vote helps to pay. Saskatchewan received the same treatment. The highway from Nipawin to Flin Flon enters the pre-Cambrian shield approximately at a point known as Beaver Lake, and as a result only fourteen miles of that road can qualify for this assistance. As to the proportion of cost I have not the actual figures, but the total cost of the road from The Pas to Flin Flon was in the neighbourhood of $1,250,000, which would make the contribution of this government a relatively small proportion of the total.

Mr. Wright: If what the hon. member for Churchill has just said is correct I should like the minister to tell us how much his department paid Saskatchewan with respect to the fourteen miles that are said to be within the pre-Cambrian shield.

Mr. Winters: Subject to correction when I check the figures, which I do not have before me at the moment, it was something in the order of $50,000 or $60,000.

Item agreed to.

Forestry branch—

383. Administrative division, $70,000.

Mr. Fulton: I should like to ask the minister whether this is the point at which to bring up a question concerning a contract referred to in the last report of the public accounts committee. It has to do with the report of the Auditor General for 1948-49, dealing with the Department of Mines and Resources, at page 20, where the Auditor General commented as follows:

> Order in council P.C. 5510 of November 30, 1948, authorized a contract for the construction of a "temporary building for the forest products laboratories" at Ottawa, the cost to be $50,200. Payments in the year amounted to $40,713. Attention is drawn to the transaction because the building has been erected on rented property, the lease for which expires on April 30, 1950.

That was a month ago yesterday.

> The property has been under continuous lease by the crown since 1927. The file discloses that the owner, on August 30, 1948, consented to the erection of the building on the condition that if the crown vacated the premises and removed the building, "any excavations will be filled in and the ground restored to its present condition at the expiration of the existing lease or any renewal of same . . ."

Would the minister tell us the position with respect to the renewal of the lease which expired on April 30 of this year and what provision is in the renewed lease, if there is one, with respect to the removal of the building?

Mr. Winters: That is a matter of contract being negotiated by my colleague the Minister of Public Works, who is generally responsible for the accommodation in which the rest of us work.

Mr. Fulton: I see it in the Auditor General's report to parliament under the Department of Mines and Resources. If the present minister has no information on the matter, I could wait until we reached the estimates of the

Department of Public Works. Is that the position? Has the present minister no information on the matter?

Mr. Winters: That is the position.

Mr. Fulton: I wonder what I should do, Mr. Chairman. I certainly should like to follow this matter up. Should I ask that the item be allowed to stand until the minister can get the information?

Mr. Fournier (Hull): The hon. gentleman is speaking of an expenditure which appears in the Auditor General's report. I do not know about this matter; I have not any information on it, but I will try to get any information he wishes to have. If I rightly understood what was just read, we put up a building on rented property. I am under the impression that the building is still there and occupied. If we have not renewed the lease, I hope we will come to some agreement with the owner, because we do not generally build on rented property without some guarantee or some assurance that we will have a renewal of the lease. I will try to get all the information the hon. gentleman wishes.

Mr. Fulton: What I am asking now, Mr. Chairman, is to be told the proper place to discuss the matter and to obtain the information. It seems to me that the item now before us would be the place to do it, because it is not in the estimates of the Department of Public Works.

Mr. Fournier (Hull): I think there is some confusion, Mr. Chairman. The hon. member is speaking of an expenditure, and what the minister is asking for is a vote on an estimate for this fiscal year. Any questions as to expenditure we can answer, I am sure. I have not the story ready right now.

Some hon. Members: Oh, oh.

Mr. Fournier (Hull): It is the first time I have heard about it, but I am fairly sure that I could get a good story from my officials. We do not spend the public's money without having assurance that it is well spent. But I can give all the information the hon. member wishes on my estimates, or I can try to get it before that time.

Mr. Fulton: I should like to be quite clear on this point. I am quite sure that the Minister of Public Works can get an explanation. But while it is an expenditure, my view is that one of our duties in examining the estimates for the current year is to compare what is asked for this year with what has been spent previously, and that has been the practice as we go along. At the moment all I am asking is what would be the correct procedure. I think this matter should be discussed in the committee; but should it not be discussed under the Department of Resources and Development, or do I take it from the statement of the Minister of Public Works that he will allow us to discuss it on his estimates?

Mr. Fournier (Hull): Certainly. If we in public works spent that money, you will certainly have all the time you wish to discuss it in committee on my estimates.

Mr. Casselman: What about the chairman? Will he agree to that?

Mr. Fulton: Who did spend the money?

Mr. Fournier (Hull): If I correctly understand it, it is under his estimates. We probably had a transfer of funds in the putting up of this building. We are responsible for putting up the building and renting the land. I am glad the hon. gentleman has given me this advance notice so that I will be well prepared when he brings the matter before the committee on my estimates.

Mr. Drew: This whole group of estimates covers undoubtedly one of the most important activities of the new department whose estimates are under consideration. This afternoon the hon. member for Dufferin-Simcoe raised a point that I believe should be given earnest consideration and one which calls for a plan of co-operative effort between this department and the provincial departments which are handling the problem of forest protection, particularly the prevention of fires. This subject was discussed briefly on an earlier occasion. I wish, however, to emphasize the point that no matter how carefully plans may be drawn to ensure the perpetuity of the forest crop by the ordinary cutting methods, those plans will be defeated and there will be continuity of the forest threat unless more effective measures can be taken to prevent the tremendous devastation by fire that occurs each year. It is doubtful whether it is possible to prevent fires, but there is no question about it that a large percentage of all fires are preventable and a large percentage of all fires can be stopped in the early stages if the proper steps are taken just after the fire has broken out.

The prevention of fire is something that can well be considered on a wider basis than a division of areas by provinces. Some of the provinces now have effective fire protection services of their own. Other provinces are not able to maintain the fleet of aircraft necessary for that purpose. There is not a single province, however, that would not benefit greatly by some arrangement under

which highly-trained firefighters could be carried quickly into threatened areas far from roads and far from ordinary water communication, and dropped by parachute. For that purpose it would seem to me that a plan of co-operation with the Royal Canadian Air Force could be worked out under which various commandos could be trained to go into any area where fires have broken out as a result of lightning or from other causes, and where they are remote from ordinary direct access.

I do not want any suggestion to be made that I am proposing that the Department of Resources and Development attempt to supplant, or in any way to enter into the field of direct responsibility of, the provincial departments. I feel sure, however, that the provincial departments would welcome some plan which would make it possible to fly in either their own or other trained men to some of these areas, with aircraft in the possession of the Royal Canadian Air Force which could do a job that the highly effective but smaller aircraft of the various protection services are not able to do.

This whole problem is one that goes beyond that of protection of the forests themselves. This department has under its administration the encouragement of travel into this country. Right at the present time there are a number of areas in different parts of Canada where travel is prohibited because of fires, even at this early season. This therefore is a matter of direct concern not only from the point of view of protection of the forests for commercial services but also because of its effect upon the tourist business. Once again I am placing before the minister the importance of a plan whereby the transport aircraft of the Royal Canadian Air Force could be brought into operation under some co-operative arrangement, and whereby they could fly, into areas not otherwise accessible, parachute firefighters with special equipment who could drop in and do this job. It is not any new suggestion over here, nor is it a suggestion of something that has not worked. It is being worked today very successfully in a number of areas in the United States.

I make this proposal to supplement what has already been said by the hon. member for Dufferin-Simcoe as to the immense importance of taking every step possible to prevent loss by fire, which actually is eating up more wood than all the industries that are producing so much in dollars at this time.

Item stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Mr. Speaker, as arranged some time ago, tomorrow we will have a discussion on freight rates under item 524 of the Department of Transport. Then we shall try to dispose of the few items that are left in that department. I understand there are a few left. We hope to conclude the estimates of the Department of Resources and Development and then we shall proceed with the estimates of veterans affairs and citizenship and immigration.

At 11.03 o'clock the house adjourned, without question put, pursuant to standing order.

[The following items were passed in committee of supply]:

DEPARTMENT OF RESOURCES AND DEVELOPMENT

A—Department—

358. Departmental administration, $370,640.

Development services branch—

359. Branch administration, $55,215.

Water resources division—

360. Water resources division, including the administration of the Dominion Water Power and Irrigation Acts, and including grant of $350 to the international executive council, world power conference, $541,766.

361. To provide for studies and surveys of the Columbia river watershed in Canada, $380,000.

362. Lake of the Woods control board, $12,480.

363. To provide for the expenses incurred under the agreement between Canada, Ontario and Manitoba, confirmed by the Lac Seul Conservation Act, 1928, moneys to expended to be largely reimbursed, $17,750.

364. To provide for excavation of a flood channel at Dalles rapids in Winnipeg river in Ontario to reduce flooding of riparian property affected by regulation under the Lake of the Woods Control Board Act (revote), $60,000.

Wildlife division—

365. Wildlife resources conservation and development, including administration of Migratory Birds Convention Act, $300,000.

National parks and historic sites division—

366. National parks and historic sites services, $10,138,886.

367. Trans-Canada highway—surveys of route in Banff and Yoho national parks, $25,000.

368. Grant to the Jack Miner Migratory Bird Foundation, $5,000.

369. Grant to aid in the development of the international peace garden in Manitoba, $15,000.

370. National Museum of Canada, $250,000.

371. Lands division—administration of dominion, ordnance and admiralty, and public lands; seed grain collections, $282,200.

Northern administrations—

372. Administration, $151,000.

Mackenzie river division—

373. Operation and maintenance of services, including Wood Buffalo park, $678,415.

374. Forest conservation, including Wood Buffalo park, $337,295.

375. Roads, buildings and other works, as detailed in the estimates, $715,450.

Yukon division—

376. Operation and maintenance of services, including forest conservation, $174,500.

377. Roads, buildings and other works, as detailed in the estimates, $2,741,000.

Arctic division—

378. Operation and maintenance of services, including Eskimo affairs, $300,935.

379. Buildings and other works, as detailed in the estimates, $35,000.

Engineering and construction service—

380. Engineering and construction services, $500,000.

381. Stony Rapids—Black lake road—contribution to the cost of construction a mining road between Stony Rapids and Black lake in Saskatchewan in accordance with the terms of an agreement to be entered into between Canada and the province of Saskatchewan (revote), $12,500.

382. Cranberry Portage road—to provide funds for the 1950-51 contribution to the cost of section B, Cranberry Portage to Cuprus Mines, of the proposed road between The Pas and Flin Flon in Manitoba, in accordance with the terms of the agreement between Canada and the province of Manitoba, dated September 30, 1948, $32,000.

HOUSE OF COMMONS

Friday, June 2, 1950

The house met at eleven o'clock.

REPORTS OF COMMITTEES

NATIONAL DEFENCE—SECOND REPORT

Second report of special committee on Bill No. 133, respecting national defence.—Mr. Campney.

DOMINION ELECTIONS ACT—CONCURRENCE IN FIRST REPORT

Mr. Sarto Fournier (Maisonneuve-Rosemont) presented the first report of the special committee on the Dominion Elections Act, 1938, and moved that the report be concurred in.

Motion agreed to.

RADIO BROADCASTING—CONCURRENCE IN FIRST REPORT

Mr. Ralph Maybank (Winnipeg South Centre) presented the first report of the special committee on radio broadcasting, and moved that the report be concurred in.

Motion agreed to.

UNITED NATIONS

UNESCO—AGREEMENT WITH RESPECT TO INTERNATIONAL CIRCULATION OF VISUAL AND AUDITORY MATERIALS

Hon. L. B. Pearson (Secretary of State for External Affairs): I should like to lay on the table three copies, in English and in French, of an agreement for facilitating the international circulation of visual and auditory materials of an educational, scientific and cultural character, signed by Canada on December 17, 1949.

Mr. Graydon: Is there any simple explanation of it?

ELECTRICITY INSPECTION ACT

AMENDMENTS WITH RESPECT TO SEALING OF METERS, FEES, ETC.

Right Hon. C. D. Howe (Minister of Trade and Commerce) moved the first reading of Bill No. 263 (from the Senate) to amend the Electricity Inspection Act, 1928.

Motion agreed to and bill read the first time.

GAS INSPECTION ACT

AMENDMENTS WITH RESPECT TO SEALING OF METERS AND INSPECTION FEES

Right Hon. C. D. Howe (Minister of Trade and Commerce) moved the first reading of Bill No. 264 (from the Senate) to amend the Gas Inspection Act.

Motion agreed to and bill read the first time.

CANADIAN NATIONAL RAILWAYS

NEWFOUNDLAND HOTEL, ST. JOHN'S—WAGES OF EMPLOYEES

On the orders of the day:

Mr. W. J. Browne (St. John's West): Mr. Speaker, I should like to ask a question of the Minister of Transport, of which I have sent him a copy. Has any consideration been given to placing the employees of the Newfoundland hotel, at St. John's, Newfoundland, on the same rates of wages as those paid in other Canadian National Railway hotels, and if so, when will the new rates come into effect? Will they be retroactive to October 1, 1949?

Hon. Lionel Chevrier (Minister of Transport): Mr. Speaker, if the hon. member sent notice of his question, I am afraid I did not receive it, although I was in my office all morning. The question involves a legal point which has been given consideration both by officers of the Canadian National Railways and by officials of the Department of Justice, I believe—although I am not too sure of the latter. I shall have to look into the question to ascertain the present position, and give a reply later.

SUPPLY

The house in committee of supply, Mr. Dion in the chair.

DEPARTMENT OF TRANSPORT

524. Board of Transport Commissioners for Canada —administration, maintenance and operation, $624,800.

Hon. Lionel Chevrier (Minister of Transport): Mr. Chairman, it is some months since there has been an opportunity in the House of Commons to have a full-dress debate on the subject of freight rates. The last time such a debate took place was on the occasion of a decision by the board of transport commissioners to increase freight rates by 21 per cent. Since that time of course there has been

in the house intermittent discussion on the subject; but because of the rule of the house which states that all matters which are sub judice should not be open to debate, it has not been possible for the house to discuss the subject matter in the manner in which I am sure hon. members would have wanted to do.

I welcome this opportunity to take part in the debate. I realize that in a subject such as this, with both the political and economic ramifications it has, it is almost impossible to deal at length with the various aspects which are likely to come up. In the main all of the applications made by the Railway Association for Canada were of a financial nature, and the board regarded them as such. In the course of my remarks this morning I shall deal first of all with the position of the railways prior to these applications, and next with the applications themselves. I should like to make certain comments respecting these as I go along.

The financial position in which the railways of Canada have found themselves in the last few years can be properly viewed only in the light of the developments which took place during the war and prior to the war. Stated briefly, and without for the moment considering the causes, the costs of labour and material have increased sharply, and while many industries have been able to keep revenues in step with rising expenses, the railways have not been nearly as successful in a similar endeavour. They have, it is true, on two occasions made application for authority to apply a general increase in rates. These requests have been granted, in part on one occasion and in whole on another, after extensive argument and study, and after a considerable period of time.

It is common knowledge that during the war years from 1939 to 1945, the volume of traffic severely taxed all the carrying facilities of the railways. For example, in 1938, the last complete year before the war, the revenue ton miles on all Canadian railways stood at approximately 27 billion, and in 1944 they had reached a level of 66 billion. The passenger miles revenue rose from 1·7 billion to 6·9 billion. This was a period of very high operating revenue; but these levels of activity were not secured without the full extension of all available manpower and equipment facilities. This of necessity involved additional expense commitments, but, as is normal under conditions of rapid expansion, the rate of increase in revenue was for a time greater than the rate of increase in expenses.

This is self-evident when consideration is given to the operating ratio of our railways in 1938 as compared with 1943. In 1938, in order to earn a dollar of revenue, the railways had to spend 88 cents; and in 1943 to earn a dollar in revenue the expense was 72 cents. The balance of revenues is in both cases the amount which is left available to pay fixed charges, surplus requirements, dividends and the like.

During 1944 and 1945 the rate of increase of expenses overtook the rate of increase in revenues, with the result that during 1946, with the declining level of traffic becoming more and more noticeable from month to month, there followed necessarily a decrease in operating revenues which was not accompanied by a proportionate decrease in expenses.

For the first eight months of 1946 the railways had to spend 88 cents for every dollar of revenue they earned. In other words the financial position of the railways as measured by the operating ratio had reverted to the position which existed before the war. This, in brief, was the financial position of the railways prior to October 9, 1946, when the Railway Association of Canada filed its first application for an increase in freight rates. That application sought a 30 per cent increase in tolls and freight tariffs, with certain exceptions, as I shall mention later.

In the application attention was drawn to the observations I have just made, namely that increasing costs and declining revenues had taken place in the field of railway operation. Mention was also made of the fact that the general level of freight rates had not been increased over the reduced level established by the board in 1922. In fact, it was stated that in some instances following 1922 there had been substantial important reductions in freight rates.

The application was put down for hearing at public sittings of the board, opening in Ottawa on February 11, 1947, and the final argument was not concluded until December 17, 1947. In addition to the sittings which it held in Ottawa, the board travelled from coast to coast and heard all parties interested in appearing before it in each of the nine provinces. The board handed down its decision in the 30 per cent application on March 30, 1948, by which it authorized an increase in freight rates of 21 per cent, horizontally, all across the board, with certain exceptions which I think are of extreme importance and which I should like to put on record:

First, a flat increase of 25 cents per ton was granted on coal and coke; second, the increase did not apply to rates on grain and grain products between points in western Canada; third, it did not apply to the agreed charges; fourth, it did not apply to grain and

flour moving from all points on all lines of railway west of Fort William to Fort William and Port Arthur and Armstrong; fifth, it did not apply to grain and flour moving from all prairie points on all lines of railway to Vancouver, Prince Rupert and other British Columbia coast points for export; sixth, it did not apply on international overhead and import and export traffic through Canadian ports moving at rates relating to rates in effect from and to the United States of America ports.

At this point I should like to draw attention to a statement which I made on the general debate which took place in 1948 and which will be found in *Hansard* of April 13 of that year. At that time I said that the decision in the 21 per cent case which had been handed down by the board, instead of affecting an estimated freight revenue of $492 million for the two main railways of Canada affected a freight revenue of approximately $262,500,000, thus eliminating from that judgment nearly $230 million of freight revenue. The reason for that is to be found in the exceptions which I have just enumerated. With the concurrence of the applicants and the respondent provinces, the Canadian Pacific Railway was used as a yardstick for measuring the need of the railways, and the decision indicated that the 21 per cent award would yield the Canadian Pacific Railway additional revenues in the amount of $30,345,000.

Here I want to interject that there was a decision by the government to make a general investigation into the freight rate structure following the decision of the board of transport commissioners in the 21 per cent case. By virtue of order in council P.C. 1487, dated April 7, 1948, the board was directed to undertake a general freight rates investigation with the object of eliminating unjust inequalities which might exist between different persons and between different localities. In July of that year the railways indicated to the board that they were assembling information and would prepare a plan or schedule of rates which in their opinion would accomplish the purposes envisaged by P.C. 1487. To date the plan and proposals of the railways have not been received, and the provincial governments have not made any submission with respect to the order in council.

The board of transport commissioners were of the opinion that the report and recommendations of the royal commission should be studied before completing their findings pursuant to P.C. 1487. In the meantime, however, the board had not lost time but was conducting investigations of its own. Its bureau of transportation economics, along with its traffic department, have had under way for several months a waybill study and analysis of freight matters. This study involves the assembly and examination of waybills covering the movements of freight on certain representative days over a period of twelve months. By representative days is meant days which after study and examination reflect a normal movement of freight traffic on the railways of this country. It is expected that the waybill study will furnish to the board, for the first time in its history, basic data with respect to the freight rate structure and its incidence upon various sections of the country. The approximate number of waybills which are being examined on the dates selected will total 250,000 shipments. When the study is completed and considered in the light of the recommendations made by the royal commission, the board of transport commissioners will then be in a position to appraise the value of the submissions made by the railways and other parties.

I have indicated already that no submissions have as yet been received by the board. I think in fairness to those concerned I should point out that both the time and energy of counsel, officials and experts of the railways and the provincial governments as well as the board have been so completely taken up with matters of freight rates and the royal commission that so far it has been impracticable for the board to pursue its investigation on the general freight rates by holding public hearings.

I come back now to the history of the period following the decision in the 21 per cent case. Following that decision, representations against the order of the board granting the 21 per cent increase were made on behalf of the seven provinces which had opposed the application, Ontario and Quebec not being included. A petition was made by those provinces to the governor in council on July 20, 1948, and on July 27 the Railway Association of Canada, on behalf of its member railway companies, again applied to the board of transport commissioners for authority to make another advance of 20 per cent on the freight rates in effect at that time.

The board concurred in the suggestion of the respondent provinces that this case should not be heard while the appeal of the provinces from the decision of March 30 was pending before the governor in council. The governor in council gave consideration to the appeal of the provinces, and by order in council P.C. 4678, of October 10, 1948, directed the board of transport commissioners to review its 21 per cent decision and to give consideration to a number of specific complaints made by the provinces at the time at which they dealt with the 20 per cent application of the railways.

Hearings began on this subject on January 11, 1949, and an interim judgment of the board was issued on September 20, 1949. In its judgment the board stated, in connection with the review of the 21 per cent case, that it found that the increase should have been only 15 per cent, and established a new formula to gauge the financial requirements of the railways. The board applied its new findings to the 20 per cent application and granted an interim increase of 8 per cent in rates in effect at the time the application was received by the board. In its decision the board gave effect to a number of claims made by the provinces, including, one, the allocation of fixed charges as between rail and non-rail enterprises; two, rejected the user basis of depreciation suggested as opposed to the straight-line method; three, adjusted income tax by giving consideration to overstatement of depreciation and deferred maintenance.

The board also took into consideration the fact that by order in council, P.C. 6033 dated December 29, 1948, the royal commission on transportation had been appointed and that several matters then in dispute before the board were within the terms of reference of the royal commission. This might involve recommendations for revision of the capital structure of the Canadian National Railways, from which a rate base valuation could be made. Economies under the Canadian National-Canadian Pacific Act and a uniform accounting procedure for railway companies were also matters which had been referred to the royal commission on transportation, some of them on the recommendation of the provinces.

These were matters which the board thought would involve the treatment of deferred maintenance and other income. The principle of horizontal increases, which has been discussed in this house before, and which unquestionably will be brought up again, was under consideration in the board's general freight rates study. This, together with the fact that the changes in sources of revenue had not had time to make their effect felt, were reasons given by the board for granting the interim increase of 8 per cent which I mentioned a moment ago.

Then there followed an application by the Canadian Pacific Railway Company to the Supreme Court of Canada for leave to appeal the decision of the 8 per cent interim increase in freight rates. The Supreme Court of Canada, having listened to argument, gave judgment in favour of the contention of that railway. Immediately following that decision the board decided to reopen the case for further hearing, and the case was reopened before the board on February 2, 1950, at which time further evidence was admitted in respect to the comparison of results for the year 1949. Final decision was rendered on March 1, 1950, authorizing an increase of 16 per cent in lieu of the interim increase of 8 per cent. In this decision the board applied the same formula as in the review of the 21 per cent judgment, and accepted two further contentions of the provinces, namely, (1) a reduction in the income tax of the C.P.R. for the year 1949, and (2) allowance for devaluation of the pound as affecting the overseas financial responsibility of the C.P.R.

While the board in the 8 per cent interim decision had questioned the lack of evidence in support of increased labour costs, additional evidence was presented and accepted by the board at the hearing following the appeal to the Supreme Court of Canada. This evidence indicated that the effect of the 17 cents per hour wage award coming after the original 21 per cent decision increased the C.P.R. 1948 operating costs by $29 million, or nearly equivalent to the $30,345,000 deficiency which the 21 per cent award was intended to cover.

Following this decision the Railway Association of Canada made another application to the board of transport commissioners for review or amendment of its decision in the 16 per cent case, arguing that the 16 per cent should have been 20 per cent. The grounds were, first, that the board had erred in not authorizing such a percentage increase as was required to make good the total revenue deficiency of $29,971,700, and, second, that the board erred in authorizing an increase of only 16 per cent, in that such a percentage increase would have provided an increase in revenue of only $22,300,000.

On May 11 the board granted the application of the Railway Association of Canada and increased the 16 per cent to 20 per cent. This latest and final advance of 20 per cent in freight rates authorized by the board was again to be applied only, as I stated with reference to the 21 per cent case, to a certain proportion of the traffic. As in the 21 per cent case, no authority was given to the railways to increase statutory grain rates and international as well as import and export rates. The total freight revenue of our two main railways amounted to $635 million in 1949 but only some $425 million will be affected by the latest 20 per cent increase.

In conclusion, let me say that the 20 per cent decision handed down recently was the final culmination of a series of three applications which was arrived at only after hearings extending over a long period of time, in some

cases many months, and the hearing of evidence taking up many thousands of pages. It would strike me that the men who sat on the board, who had an opportunity to hear the evidence and argument of counsel over a period of more than two years, were in a position to appraise the merits of the case as well as any other people in this country could. Furthermore, in the final analysis Canadian rates have been increased by 45 per cent compared with an increase in the United States of 60 per cent and in the United Kingdom of 80 per cent. Recently an increase of some 16⅔ per cent has been granted in the United Kingdom, making their total increase since the end of the war 80 per cent compared with 45 per cent in Canada.

Again I should like to point out that the benefit of the increases in the United States and the United Kingdom was granted almost immediately, either by interim decision or by decisions which had the effect of putting the new rates into operation the moment the decision was handed down. In Canada the situation has been entirely different, in that in the 21 per cent case, for instance, almost two years elapsed between the time the application was made and the time the judgment was handed down. This completes a brief historical analysis of the various applications made together with some comments as I went along, which was all I intended to do this morning.

Mr. Diefenbaker: When did the last increase in the United Kingdom take place?

Mr. Chevrier: Within the last month or two—quite recently. All in all, having regard to the circumstances as found at the time, I believe the decision of the board is one in keeping with the financial requirements of the railways.

Mr. Drew: Mr. Chairman, discussion of this item presents the first opportunity that has been afforded to indicate the opinions that may be held by members of the house as to the sequence of events leading up to the most recent announcement by the board of transport commissioners. The Minister of Transport has reviewed the events of the past two years, when, for the first time since the war, the question of increases in freight rates has been dealt with in the way that he has outlined. In his concluding remarks he gave comparisons between increases in freight rates in the United Kingdom and in Canada, indicating that the over-all increase in Canada is not as great as in the United Kingdom or in the United States.

I submit that the problem is one which goes far beyond a mere question of comparison of the percentage of increase in freight rates here and in any other country. The minister has outlined in clear and simple form the steps by which we have reached the position in which we find ourselves at the present time. He has pointed out that the necessity for listening to the mass of evidence in regard to this subject has precluded the possibility of consideration by the board of other related problems. He has referred to the fact that the board has available for this purpose a bureau of transportation economics, and that they have been continuing their studies.

Having said that, I submit that what the minister has given to us this morning is a review of confusion and incompetence which demonstrates that the main consideration before us at the moment is what is to be done with the board of transport commissioners, and the way in which we are going to deal with the whole question. In using the word "incompetence" I do so in the strict dictionary meaning of the word. I wish to make it quite clear that I concede the earnestness and the desire of those who have been charged with certain responsibilities to give effective service. When I say the board is incompetent, I say that whatever the reasons may be, it has demonstrated itself to be incompetent by its own actions during this extended period. Therefore I submit that the discussion of this item necessitates the review of one of the most important considerations this house could have before it. Everyone will agree that at the present time, in the wider field of government, our relation to the outside world and our concern for international security must be the number one consideration; but as far as our daily lives here at home are concerned the major consideration of every Canadian is the maintenance of that economy upon which the daily lives of our people depend.

In the Canadian economy there is no single thing of such vital concern as the provision of effective transportation for our people and for the things we produce. That is in fact what we are considering when we discuss this item. This is the first opportunity that has been afforded to examine this subject; and as the minister has very appropriately pointed out, this is the first opportunity he has had to review in this way the events which step by step, since these discussions were actively undertaken two years ago this spring, have led to the present position.

In reviewing what has taken place the minister has gone back to the judgment of the board of March 30, 1948, authorizing a 21 per cent horizontal increase in freight rates throughout Canada. He has pointed out that this horizontal increase was subject

to certain substantial exceptions which resulted in a smaller amount being charged for freight rates on an over-all basis than otherwise would have been the case. In spite of those specific exceptions, however, and the fact that they did involve substantial sums, that judgment, as in the case of the subsequent judgments, failed completely to deal with a subject that must be dealt with in the interests of the national economy—that is, the unfair differential in freight rates as between different parts of this country. Subsequent judgments have proceeded to deal with this problem on the same basis. The most recent judgment, which came into effect only last week, carried forward and confirmed this situation. If it becomes effective, that judgment fastens upon the Canadian economy an intolerable discrimination between different parts of the country. In the very nature of the proceedings that have already taken place it is not possible to imagine that the board as at present constituted and equipped can hope to solve this problem within any reasonable time. Therefore we must deal with the matter on the basis that, if this board is to continue as at present constituted and equipped, a situation has been created which will have most serious consequences for our whole economy.

I emphasize this because I am going to urge in the discussion of this item that the time has come when the government must take hold of this problem, that we can no longer permit this confusion to continue or this endless bickering back and forth between the board, the Department of Transport and the courts to make it impossible for producers, for the people generally and for the railway companies to know where they stand. Because I am going to propose that this subject be tackled I should like to indicate considerations which it seems to me have been regarded as fundamental in the examination of this whole question since this country became a nation.

The economy of our country, perhaps to an extent not equalled anywhere else, depends upon the ability of the railroads to carry people and, above all, freight, in a manner that will make the work of our people economically sound in every part of Canada. One might say that in the United States they have a parallel economy and that the situation there is similar. It is not. Even in the great grain growing areas of the western United States, to the south of our grain growing areas, they have very large urban communities within easy reach which consume a substantial portion of what is produced in the way of grain and livestock products. There is also the fact that while nature has been generous to us, more generous than sometimes we recognize, nature has also established certain barriers in this country which challenge our ability to tackle our problems and find a solution of them for the common benefit of all our people, wherever they may live.

In the consideration of this problem and this particular duty of the board of transport commissioners, it is obvious that, on the one hand, there is the necessity to provide in Canada economic facilities for the transportation of our people and the products of our farms, forests, mines, waters and factories. There is also the duty on the part of the government, as representative of all the people, to provide the railroad facilities from time to time which are required for the development of the country, and to take such steps as may be appropriate to construct new lines and extend existing lines so that our development may not be impeded by a too rigid regard for the immediate cost of that development, as long as we can see that it is going to be a sound investment for the future.

Ever since we became a nation the duty of the government to take such steps as were necessary to assure efficient transportation has been regarded by this parliament as one of its paramount obligations. It is only necessary to go back to the debates shortly after confederation, and follow them through the succeeding decades in the history of this country, to realize that this was always well to the fore in the minds of those who were building this nation. While cost has always been a very important consideration, as it always must be in a world of sensible men and women, there are a great many examples which demonstrate that other considerations than cost have had a definite bearing on the construction of rail lines, and on the service offered. If cost alone had been the consideration, rail lines never would have been built to the west through the great rock belt north of lake Superior. Traffic would have moved south of lake superior by an easier route through the United States and back into Canada. There were different reasons why Canadians of those days, as represented by their members of parliament, decided that there would be a Canadian route. It was not national pride alone, although doubtless that had some bearing on the decision. It was the fact that one of the hallmarks of nationhood is that a country shall have, within its own borders, the means of moving its people and its goods.

At heavy cost, therefore, rail lines were constructed through the difficult rock barriers north of lake Superior, as well as through the mountain passes, and Canada was linked from sea to sea by a means of transportation without which this nation might not be one nation today. By various and quite legitimate devices, those who built the railroads were recompensed for that additional cost. The people of Canada approved the provisions which were made to assure construction that otherwise might not have been possible. The principles which applied at that time are principles which still apply to the problem of transportation, and that is the problem we are discussing.

The board of transport commissioners has many duties to perform. It must deal not only with railways and the problems of construction, maintenance, operation and rates, but also with telephone and telegraph lines, express companies, international bridges and tunnels, ships on the great lakes and the Mackenzie and Yukon rivers. It must deal with pipe lines to a limited extent; that is all it is allowed to do. These other obligations and duties however are, in comparison, not nearly so important as the requirement of assuring effective transportation which can carry heavy freight of every kind from one part of Canada to the other, and to the seaports so that it will move to the markets of the world.

In this case the board of transport commissioners has heard evidence over a period of more than two years. As the minister has indicated to us, the first award of 21 per cent was made on March 30, 1948. The second increase to which he has referred was made in September, 1949, and that award was an interim increase of 8 per cent. Subsequently on March 1, 1950, the board granted 16 per cent in substitution for the 8 per cent interim increase. As has been explained by the minister, the Supreme Court of Canada found that the board must not make such a decision, subject to a qualification of the kind which they imposed. That in itself reflects upon the ability of the board to deal with this question. Perhaps the limitation on the ability of the board may not be a limitation applied to individual members. It is perhaps a limitation under which they act. In any event, their decision was thrown out, and they were called upon to consider this whole subject again.

As I mentioned, an award was made on March 1 of this year, substituting 16 per cent for the interim 8 per cent award. Then comes the strangest incident of all. While the minister has pointed out the substantial grounds of appeal, what has not been pointed out is that the main ground of appeal was that the board had not been able to understand its own figures. Even assuming that their decisions were right as to the bases upon which they should make the awards, they were out a matter of $13 million in their conclusions because that is what the difference in percentage amounts to in dollars.

The most recent award of a further 3·4 per cent, bringing the total increase in the last stage up to another 20 per cent, is really a finding by the board that it did not know how to work out its own decision in terms of simple arithmetic. It is not for us to say who is to blame; that, in effect, is their finding.

I submit, Mr. Chairman, that this house has no right to pass this item, which in effect constitutes approval of the continuance of the board as now constituted and under its present authority, when by its own most recent decision it has stated it cannot do its job. I go further and I submit that if the board, within more than two years and with all the evidence it has heard, can only deal with this problem on the basis of a uniform horizontal increase, except for the limited exceptions that were made, then once again I say that the board has demonstrated that, whether because of the procedure under which it operates, or the personnel, or by the lack of effective assistance it has in doing its work, it is not capable of functioning in the way it should function.

After all, this is something that relates to the day by day economy of the country. Changes in the value of the dollar, changes in international exchange, changes in the volume of production in different parts of the country, all have their effect. The enormous volume of freight that will move from Alberta, added to the wheat and other commodities that move from there, in itself affects the economic picture, and affects beneficially the cost structure in relation to capital obligations. So also do those great discoveries that have taken place throughout Canada. What we need is a board that is supplied with and supported by technical experts, who day by day can continue to examine the situation so that at any time the board may be in a position to make a decision that is consistent with the facts of the situation at the moment. What has happened, however, is this: Even if these decisions of the board were not in appeal for indefinite terms; even if we were not confronted with an appeal to the privy council, an appeal to the governor in council and possible appeals to the Supreme Court of Canada, the position in which we find ourselves is that the board's judgments alone are, at each stage, almost ancient history in

a country with the dynamic and rapidly moving economy we have in Canada. We must have a board competent to deal week by week and month by month with the events in a country that, given the vigour and the vision that it should have, will grow faster in the years ahead than it has at any time since we became a nation.

We have no other way of stating during the present session our view that the need for action by the government is urgent, and that it must be action of the most decisive and sweeping character. After all, under the procedure as it now stands, the government must make the ultimate decision, subject of course to appeals to the Supreme Court of Canada on points of procedure, subject to the termination of an appeal now before the privy council, subject to other appeals that may occur; and I hope I am not being unfair when I say subject also to possible future miscalculations of the nature of the recent miscalculation which has just been corrected.

Mr. Low: Better get them an adding machine.

Mr. Drew: It would take a big adding machine to correct errors of that kind and on that scale. No; without any reflection on any individual member of the board, we have before us the most colossal blunder in simple arithmetic that this country has ever seen. Here at a time when children all over the country are being asked to pass examinations in ordinary arithmetic, we have the direct declaration by one of the most important agencies or boards set up by the government that it was not able to add its own figures to the tune of some $13 million.

I am not saying that in any sense of reflection upon individuals, but I would remind the government and the members of the house that this is something for which every hon. member must assume responsibility. This board was reorganized in a very limited way some two or more years ago. At the time that was done the then prime minister emphasized the fact that there must be changes in the board and in its functions if it was to be able to do its work. There has been no substantial change. All that has happened is that there have been minor changes in personnel. It may well be that the board is carrying on under an impossible set-up, and that to a considerable extent its members may individually be placed in an unfair position. But that is something that the government must determine. That is something that the government must examine. After all, the government will very jealously guard its right to appoint the members of that board, no matter how it is constituted. Therefore we can only examine the net results; we can only accept their own decision that they were not able to carry out their task; we can only see the confusion that is caused by this series of decisions, with their variations for one reason or another; and we can only see that in over two years this board has not been able to deal with the fundamental inequity of the freight rate structure across Canada.

I have no desire to discuss any matter outside the ambit of the immediate subject that is before us. But in view of the fact that I am presenting these arguments, and in view of the fact that I would not wish any of them to be examined upon a false premise, I do want to anticipate any suggestion that while I was in a position of responsibility, other than that which I now hold, I had an opinion different from that which I am expressing here this morning.

It has been suggested from time to time that the fact that the government of Ontario when I was its head did not participate in the appeals which were before the board indicated a lack of interest in the subject.

Mr. Mutch: It surely did.

Mr. Drew: That was not so. I could not help hearing from across the way, "it surely did". That merely indicates why it is important that I attempt, if it is humanly possible, to keep this discussion on the right track.

Whether rightly or wrongly, the government with which I was associated at that time did hold the view that the British North America Act, on the one hand, placed certain responsibilities in the hands of the provinces; and we insisted that those responsibilities be recognized. We took the view that, on the other hand, the British North America Act did impose certain responsibilities on the dominion government, and we thought that the control of railways was one of the subjects which had been most exclusively placed under the jurisdiction of the dominion government by the British North America Act. We in fact held the view, which has been frequently expressed on other occasions by this government, that in relation to dominion affairs every part of Canada is represented in this house by the members sent here from the different constituencies. Whether rightly or wrongly, but strangely enough in this case holding the same view that has been expressed on other occasions by the dominion government, we thought that Ontario, in relation to dominion matters, is fully represented in this house by members of the different parties who have been elected to represent the constituencies of Ontario. We therefore took the position,

rightly or wrongly, that this is a responsibility of the dominion government and of this parliament, and it is in accordance with that view that in this house this morning I am expressing the opinion that it is the obligation of members of parliament and of parliament itself to say what they think about the continuance of this board on the present basis.

I do not want any word that I have said to imply criticism of provinces which have launched appeals, because I recognize that they were in a most unfavourable position in relation to the central provinces. In spite of the views I have expressed, if those provinces had not expressed the opinions that they did express, some of the inequities that have occurred would not have been remedied to the extent that they have. I hope this morning, and later today, during the discussion of this matter, that we shall see evidence in this house that the provinces are effectively represented in federal matters by their representatives; that we shall hear members from every party express their opinions as to the conduct of the board and as to the present inequity of the freight rate structure of Canada and the necessity to end the discrimination which is so unfair to the maritime and western provinces. Unless we hear Liberal members, as well as other members from the maritimes and western Canada, express their opinions, the contention of the dominion government that every province is fully represented by its membership here stands on very uncertain ground. I hope, if for no other reason than that, Liberal members will prove here in the house and to the people of Canada at large that every province is represented and that the views of those provinces are represented, that by their vote—and I am going to offer the opportunity to vote—they will indicate they believe the time has come for drastic action in this matter.

It is not now possible to move an amendment which calls for a reconstitution of the board, but on the present basis the board could be wound up and the government could carry on its activities with whatever staff is maintained, because they are assuming the ultimate obligation anyway to decide what is to be done.

There must be a board of some kind; there must be an independent body, and a very much more independent body than we have had, charged with the responsibility of carrying forward into our transportation problems those fundamental principles which guided the construction of our roads and the development of this country in the first place. Therefore I feel that the house will support the government in the setting up of any newly constituted body, and will pass whatever supplementary estimates are necessary to meet that purpose. It is my view, however, that the board as now constituted, in view of its own decision that it cannot work out the details from its own records, is not competent to proceed to deal with these tasks, and that the government now must assume direct responsibility for this situation. If the government deals with this matter, and if the government does grasp the nettle and really deal with the problem, I hope it will give to the board, however constituted and with whatever authority it is granted, technical and expert advice at the very highest level which day by day will have available the changing statistics and changing considerations, thus making it possible for the board to act promptly in dealing with these matters—promptly not only in fairness to the people of Canada and to every part of Canada, but in fairness to the railways as well. They simply cannot operate except on a basis of sound economy. On a broad and balanced basis let the board make its award in such a way that the railways may operate soundly and effectively, and also that they may perform their services with full recognition of the right of every Canadian in every part of Canada jointly to receive benefit from the railways that this country supports—and it supports the private as well as the public railways—and so that there also will be available to them the very highest level of transportation in those areas which vision and good judgment tell us will open up rapidly in the years ahead.

For that reason, Mr. Chairman, and to give an opportunity to indicate to the government that the time has come for real and drastic action, I move:

That item No. 524 be reduced to the figure of one dollar.

Mr. Coldwell: Mr. Chairman, with very much of what the leader of the opposition (Mr. Drew) has said I find myself in agreement this morning. Frequently there is disagreement between us, but he has expressed a point of view in regard to the board of transport commissioners that most of us in the House of Commons should hold, after reviewing the judgments and the history of this board for the last few years.

He has made a direct attack upon the competence of the board, using the term "competence" in its dictionary meaning; and I believe that attack was thoroughly justified. One has only to look at the judgment of the board itself in the most recent application of the railways to realize how incompetent the board is.

The chief commissioner, the chairman of the board, Mr. Justice Archibald, has been gravely ill, and his health is impaired. He did have, in larger measure perhaps than

the discussion this morning indicates, the confidence of a very large section of the Canadian people. But the judgment handed down, signed by the acting chairman, Mr. Wardrope, and concurred in by Mr. MacPherson, fully justifies the criticism made by the leader of the opposition that the board overlooked elementary rules of simple arithmetic.

At page 6 of the judgment handed down we find these words:

I was in error when at the end of my judgment I used the following language:

"As the majority judgment of September 20, 1949, reviewed the decision in the 21 per cent case and determined that the latter should have been 15 per cent, and also incorporated such modification in the 8 per cent interim award, it is necessary to modify the above-stated deficiency accordingly."

And he went on to say:

In effect, quite unintentionally of course, this amounted to a further application of the 8 per cent formula, thus reducing the percentage of increase required to meet the deficiency.

Little remains to be said except that I regret the error and take full responsibility for it.

Just imagine a board upon which great responsibilities were placed by this parliament, in an important judgment affecting the welfare not only of the entire population of Canada, but more particularly of certain parts of Canada, admitting in a subsequent report—and having to admit it—that an error, the extent of which the leader of the opposition referred to a few moments ago, was made quite unintentionally!

I wonder why such an unintentional error was made. The hon. member for Victoria-Carleton, on Tuesday, March 14, 1950, asked for an order for return. If we look at that return, and look at the personnel of the board, and particularly the assistance the board has and the duties imposed upon it, we begin to understand why it is not competent to deal with these matters. The return indicates clearly why the House of Commons should do what the leader of the opposition has said we should do—demand of the government that a board, with adequate staff facilities be constituted in which the house and country can have some confidence.

I do not want to go over ground that has been traversed this morning. I do wish to emphasize that these increases in railway rates are a serious matter, not only for the producers and consumers of this country, but also for the railways themselves. I have before me an extract from evidence given by an official of the Canadian National Railways. I should like to put it on the record, because it illustrates that these constant increases in rates will eventually make it impossible not only for the producers of Canada to ship their goods, but for the railways of Canada to compete and to earn sufficient revenue to enable them to carry goods at reasonable freight rates without very substantial subsidies from this parliament.

Mr. MacPherson, counsel representing the province of Saskatchewan, was examining Mr. Fairweather, who is the development officer of the Canadian National Railways. I wish to put these brief questions and answers on record, because they confirm the statement I have just made that these increases in rates are likely to price the Canadian railways out of the transportation market altogether. This is the question by Mr. MacPherson.

Q. Mr. Fairweather, in volume 65 of the evidence at page 13646 during the cross-examination of Mr. Walker—

Of the Canadian Pacific Railway:

—by Mr. Covert a question was asked and an answer given, and I want to read the question as put to Mr. Walker and Mr. Walker's answer and to ask you whether or not you agree with it. This was the question:

"Q. Now, I just wanted to ask you one question on this point. I think an article was read to you this morning by Mr. Campbell suggesting that the railways may be pricing themselves out of business in the United States. My understanding is that your view is that that is not the situation in Canada, that the railways have nowhere near reached, I think was the phrase you used—

A. That is my view, yes.

Q. —a rate level which would price the railways out of business?

A. Quite so."

Q. Do you agree with that statement of opinion by Mr. Walker?

A. No, honestly, I do not.

Q. Well, will you tell the commission why you do not agree with it, Mr. Fairweather?

A. Well, I think that the tenor of my evidence explains my doubts and my disagreement. I think when the rate adjustments presently in effect and in prospect before the board of transport commissioners, supposing they were granted in full, are applied, and having regard to this canker of highway transportation which I say is growing bigger, I have a real fear that the productive economy of our country will be disturbed and that marginal producers will no longer be in a position to see enough profit in their operations to produce, and that they could easily start a snowballing effect. I am a development officer, and as I have said, I firmly believe that our high standard of living is keyed into the incentive that is present in the producers of our basic commodities. Those basic commodities historically have always enjoyed low rates, and the prospect of increasing the rates beyond the levels that are now in contemplation is something that, as a development man, I look on with a certain degree of reservation. It is made clear in Mr. Gordon's brief that there is a fear expressed there looking to the future that the railway might price itself out of its market.

Mr. MacPherson: Thank you very much.

In spite of what the minister said about increases in rates in the United States and in Great Britain, to which I think the leader of the opposition gave an adequate reply, it must be remembered that those countries

are not comparable with Canada. There are great distances between the productive regions of this country. We have the maritime region divided by rock, lake, river and forest from the region of central Canada. We have central Canada divided from the region of the prairies by a thousand miles of lake, rock, swamp and forest. We have the region from Calgary or Edmonton to Vancouver and Prince Rupert divided by range after range of mountains. The conditions in the different countries are not comparable.

This nation was built up by bands of steel which bound the maritimes to the central provinces, to the prairies and the Pacific coast province. Anything which destroys the use or effectiveness or efficiency of our railways will jeopardize the whole Canadian economy, and perhaps in some respects the very continuance of confederation itself. Consequently this is one of the most serious problems with which we have to deal. I refer again to Mr. Fairweather's answer when he said that historically the basic commodities produced in this country have always enjoyed low rates, and that the prospect of increasing rates beyond the limits that are now in contemplation—being before the board of transport commissioners he had to say that—is something that as a development man he looked upon with a certain degree of misgiving.

The board of transport commissioners has not sufficient staff to go into all the factors that should be considered in dealing with these rates. The Canadian Pacific Railway has been taken as the yardstick to be used in setting rates in this country. When we look at the history of the Canadian Pacific Railway we find that all its assets originated from the railway part of its operations. Going back into history we find that the people of this country gave to the Canadian Pacific Railway—the leader of the opposition implied this, although he did not enumerate them—great concessions in order that we might have a band of steel across Canada.

There were 700 miles of railway which the Mackenzie government had completed between 1874 and 1878. There were 25 million acres of land in western Canada granted to the company, and $25 million in cash. Subsequently there were guarantees of bonds and further grants of land and other concessions by the provinces, particularly by British Columbia. As the minister indicated—I am not saying that he approves the statements made by the Canadian Pacific Railway—the Canadian Pacific Railway is attacking one of the fundamentals of our rate structure as it affects western Canada and British Columbia, the Crowsnest pass agreement.

Let us remember that as certain concessions were given to the Canadian Pacific and other railways, in perpetuity and by statute; as large money grants and other valuable concessions were granted by the province of British Columbia, the Crowsnest pass rates were set and should not have been disturbed under any circumstances. But they have been disturbed. In 1925 the concessions which had been granted to the prairie provinces and British Columbia in the way of low rates on certain commodities—I am not going to list them again, because I did it some time ago in a similar debate—were removed. Under no circumstances must this parliament permit any further variation in the Crowsnest pass rates.

Of course when general increases are granted, on the discriminatory basis on which every decision of this railway board has been based, it causes not only anxiety and misgiving, but financial hardship, particularly when the prices of the commodities that have to be carried and for the carriage of which the producers must pay are likely to fall. Evidence was placed before the board of transport commissioners—not in the recent case, but I think in the 21 per cent increase case—to the effect that to move 100 pounds of petroleum products from Regina to Indian Head, a distance of fifty miles, would cost 26 cents; that to move 100 pounds of petroleum products the same distance in the province of Quebec would cost 10 cents, and in the province of Ontario 9½ cents. There is an illustration of discrimination. Every time a horizontal increase in freight rates is made, the discrimination is greater. We have had three such discriminatory increases within the last two years. No wonder those of us representing prairie, British Columbia and maritime constituencies are alarmed at these sharp increases.

I am going to appeal to the government to do what I suggest again today. Long before this, in view of the incompetence of the board —and again I am using the word in its dictionary meaning—in view of the continuous discrimination in the granting of increases in rates, the government should have used its undoubted power under section 52 of the Railway Act and disallowed the coming into effect of these increases. The government has the power; I believe only once before was it used, many years ago; nevertheless the power is there.

There is injustice to the people of Canada generally, not merely to the people of the prairie provinces, British Columbia and the maritimes. Some of us thought that until the royal commission on transportation had

reported, no further increases would be allowed. The royal commission has just completed the hearing of evidence and argument and has yet to make its report. It seems to me that the government has a responsibility to protect the people of Canada from the discrimination practised recently and in the past. In spite of the fact that the Minister of Transport indicated that an investigation is being made by the board of transport commissioners into the rate structure of the railways, having in mind the return asked for by the hon. member for Victoria-Carleton, and the multitudinous duties placed upon the board of transport commissioners with its inadequate staff, in my view the board cannot do the job expected of it.

The rate structure today is a crazy quilt affair, so much so that some large companies actually maintain special departments which are continuously engaged in going over the rate charges and pointing out errors or charges under the wrong rate. I am told that these companies are collecting large sums of money from the railways, because even the people who charge the rates cannot follow the structure that has been handed to them and upon which rates must be based. These are the factors that make some of us most anxious about the present rate structure and the recent horizontal increases.

I want to go a step further and say to the Minister of Transport that, while a discussion of this kind is necessary, and while the criticisms that have been made this morning are sound, even if we have a more competent set-up of the board of transportation commissioners, and an adequate staff we shall not have got to the root of the railway problem. I think the house will have to consider how the transportation system of Canada can be modernized, how it can serve the people of Canada better, and how it can be integrated in order that it may accomplish the purposes for which it must be designed. This involves a great problem. In eastern Canada the railways are in competition with buses, trucks and water transportation, and that is the reason for the low rates. We have no water carriage on the prairies. We have very much less motor traffic, and therefore the prairie governments are not able to build the kind of roads which encourage truck transportation. The result is there is not the same competition in the prairies as there is in other parts of Canada.

It seems to me that here is the point at issue. While such competition has been valuable in a way to the people living in Ontario and Quebec, trucks pick up the profitable traffic and leave to the railways the heavy, bulky, unprofitable traffic which must be carried, as Mr. Fairweather says, on a low freight rate. There is the problem in a nutshell. How we are going to deal with it is a matter that the house will have to consider. I have views about it that I have come to hold because of thought I have given to the matter. Necessarily my views are not the only views that may be held. The solution I have in mind may not be the only one that can be found. Nevertheless I say to the government, to the official opposition and to all other hon. members that the time has come when we must tackle this problem in a fundamental way. Otherwise either we are to have increases in rates that will cripple the economy of our country, or parliament will have to provide even more substantial subsidies for the railways than we have accorded to them in the past.

It is said sometimes that operating and maintenance costs have increased, and they have. It is said that labour costs have gone up, and they have; but so has every other factor in relation to the cost of living in this country. Increases in living costs have particularly affected the lower paid railway workers, of whom there are many thousands. I know it is fashionable to point to the earnings of the more highly paid railroad men, but as a matter of fact there are many thousands of low paid railway workers who in the past few years have found it most difficult to live.

In examining the evidence placed before the board in the recent application for increases, one is struck by several considerations. In the first place, why should not the revenues of the subsidiary bodies, the subsidiary economic activities of the Canadian Pacific Railway, like Consolidated Smelters, be considered as part of the revenue from its railway operations, when those assets arise out of those operations or out of public concessions? If they were included, the picture would not be satisfactory, but it would be much better than appears on the surface. Then if the board had a sufficient and a competent staff, even under this set-up it would have gone more completely into the operating and maintenance costs, particularly the latter, which were placed before the board by the Canadian Pacific Railway. I do not have the figures before me at the moment, but in the evidence it was stated that while the maintenance costs of the Canadian Pacific in 1939 were some $49 million, those costs had risen last year to $150 million. What is the reason for that vast increase? I have been reliably informed, and I think this could be gathered from some of the evidence given before the board, that

what they call the reconditioning of rolling stock has been charged to maintenance. I have been told that at the end of the first war the railway reconditioned some of their older engines, which were rebuilt so they were good for twenty-five years, or until the end of the second war. I have been told also that since the end of the second war locomotives and other equipment have been rebuilt by the C.P.R. and that the cost of this work has been charged to current maintenance costs. In my opinion, if the lifetime of that equipment has been extended for fifteen or twenty years that cost should have been charged to capital account and depreciated over the new lifetime of the equipment.

Mr. Stick: How much of the $150 million would be represented by that cost?

Mr. Coldwell: That is something the board should find out, and that is my complaint—that the board has neither the staff nor, apparently, the will to go into these factors, though counsel for the provinces did keep this point before the board.

So, Mr. Chairman, these rates and these increases represent an intolerable burden. I repeat that the railways are essential to the welfare and economy of this country; but the cost of carrying those railways should not be placed upon any particular section of our population. I believe the cost of carrying the railways could be drastically reduced by a proper integration of transportation facilities, by a modernization of our railways and all their equipment, and by a modernization of the entire outlook on railway transportation. After all, since the railways of this country were built by the Canadian people as a means of binding together the different parts of this country, our position is different from that of some other countries in regard to their railway services. To us railways are vital. They are vital to the continuance of our economic health and our national life.

So we must tackle this problem here in this parliament. We cannot continue as we have been going. Should there be any considerable fall in commodity prices, particularly in the price of wheat, the commodity many of us on the prairie provinces are particularly interested in, the result could be disastrous. We all remember that if the rates had been increased during the thirties, and particularly if we had not had the Crowsnest pass agreement, the freight rates on the grain that was produced would have exceeded and indeed in some instances did exceed the value of the grain. I believe that would have been altogether true in 1932. While I am not suggesting that there may be a drastic fall at the present time, I am suggesting that even if grain and flour freight rates are maintained substantially as they are, with the new increased rates, the increased cost of production, the increase in the rates on supplies, machinery all the rest of it, this will be a very serious imposition upon the producers in the prairie provinces.

One could raise a number of other points in connection with this matter, but I do not want to impose much further upon the time of the committee. I believe we have an opportunity of expressing an opinion by supporting the amendment introduced by the leader of the opposition. It is an old parliamentary custom in Britain. You do not want to wipe out the board of transport commissioners, but you do want to express your dissatisfaction with the board, its method of procedure, and its judgments. Had I been moving the amendment I would have done it rather differently. As a matter of fact I had it in mind; I would have moved not to reduce the amount to $1 but to reduce it by $1, which has the same effect but perhaps without the same implications. In spite of the implications, however, I believe we should support the amendment, because we want to express ourselves, and this is the only way it can be done. I had hoped to be able to raise this question earlier on going into supply, and I had an amendment already drawn for presentation at that time. However, owing to the fact that the Department of Justice considered that this should not be done while the board was actually sitting on the matter, and there having been no opportunity to do so since, we shall support the amendment of the leader of the opposition, in order that we may express the dissatisfaction we feel with the board of transport commissioners as to its competence, its lack of staff, its failure to go into various factors in connection with the Canadian Pacific Railway, and so on.

Before I sit down, I want to say that this house should also take into consideration, when the time comes, the suggestion made by the president of the Canadian National Railways that that railway be placed in a more competitive position by removing from it the tremendous overburden of capital which was inflicted upon it when this country took over a number of bankrupt railways after the first war.

Mr. McIvor: Mr. Chairman, I should like to ask the hon. member a question. It relates to the first part of his address. Does he consider it reasonable and just that the Canadian railways should get less in freight rates, or less in cash, for a longer haul than the railways of Britain receive for a short haul?

Mr. Coldwell: I said in the course of my remarks that conditions in the two countries

were not comparable. My whole argument has been this; that the railways of Canada were built up in order to consolidate the country and make confederation possible, and that the discrimination in the rates that now exist imposes a burden on one part or two parts of the country, whichever way you look at it, which should be borne by the whole country. In some manner we have to arrive at a rate structure which would fairly distribute the burden. I will go a step further and say that, in view of the peculiar difficulties to which I have referred, if, after we have integrated our transportation facilities, the railways are still unable to haul commodities at reasonable rates, there should be a method of subsidizing the railways. But again I would not suggest subsidizing a privately owned railway system.

At one o'clock the committee took recess.

The committee resumed at three o'clock.

Mr. Blackmore: Mr. Chairman, first on behalf of the members of the Social Credit group I should like to commend the leader of the opposition on his excellent speech this morning in opening the discussion on the matter of freight rates. I was wondering whether I could recall any time since I came here in 1936 when any representative of an Ontario or Quebec constituency rose and had anything to say about the shameful, inadequate, inequitable freight rates which prevail from coast to coast in Canada. I am sorry to say I had not been able to recall any occasion until the leader of the opposition did it today. Therefore I look upon that speech as a fine augury of good things to come.

Since coming to the house I myself have never failed in any one year to give at least one talk on the injustice which prevails in the Dominion of Canada in the matter of freight rates. For the Social Credit group I should like to say to the leader of the opposition that we propose to support his motion to reduce the appropriation for the board of transport commissioners.

I do not wish to say anything unkind about the board of transport commissioners, but I am very much afraid that they have very little excuse, very little explanation for the things that have been allowed to continue in this country over these many years.

On May 16, 1950 I made a speech dealing with the freight rate question, as reported at page 2537 of *Hansard*. Because it was sub judice I deemed it inadvisable to go very far into the subject, but I will continue that speech today.

My argument regarding freight rates is to be based on the freight rates as they obtained in Canada in the year 1938. Hon. members will then know that the abuses which I point out have been before the Board of Transport Commissioners for Canada long enough for any conscientious, open-minded group of people, desirous of seeing anything like justice in Canada, to have done something about this matter long ago.

There are five main general facts concerning the incidence of freight rates in Alberta with which I propose to deal. While these evils are observable in the other western provinces, they are not present to nearly as great an extent as they are in Alberta. We are at the apex of the costs going out, and we are at the apex of the costs coming in. They get us going and coming, and they all seem to think they have a perfect right to do anything they want to about Alberta. That is an astonishing thing, considering the fact that our province has never done anything that would justify anyone in supposing, so far as I know, that we do not propose to be an integral part of the Dominion of Canada, sharing the responsibilities of other Canadians and hoping to enjoy the privileges that are accorded to other Canadians.

In the first place, the ordinary consumers in Alberta are penalized for living in that province, so serious are the disadvantages of the freight rate structure as Alberta endures it.

Our primary producers in Alberta are inequitably handicapped by freight rates as compared with primary producers in other provinces of Canada. The freight rate structure in Alberta impedes ordinary economic development within the province more than it does that of any other province of Canada. Interprovincial trade between Alberta and British Columbia is hampered by inequitable freight rates, as is not the case in respect of interprovincial trade between any other two provinces of Canada, name whichever ones you desire to name. In effect a tariff wall has been erected around Alberta by freight rates, the object apparently being—designedly so, I fear—to keep Alberta products out of the markets of other provinces, and at the same time to open Alberta markets to the products of other provinces.

May I examine for a few minutes the statements which I have made in the light of facts that can be adduced?

First, as to the ordinary consumers of Alberta being penalized for living in Alberta, here are some figures which will startle anybody who gives them very much consideration. Flannelette blankets can be shipped from eastern Canada to Vancouver for $1.75 a

hundred. But if you take them off at Edmonton they will cost you $4.53½ a hundred. Kalsomine can be shipped from eastern Canada to Vancouver for $1 a hundred; but take it off in Edmonton and you will pay $1.33½ a hundred. Lard and cooking oil cost $1 from eastern Canada to Vancouver, but $1.98 to Edmonton; paints and varnishes, $1.25 to Vancouver and $1.98 to Edmonton; shoes, $2 to Vancouver and $3.03 to Edmonton; soap, $1 to Vancouver and $1.98 to Edmonton; wrought iron pipe, $0.70 to Vancouver, $1.98 to Edmonton.

If you were talking to the board of transport commissioners, or to either of the railway companies in Canada, Mr. Chairman, of course they would explain the discrepancy in these freight rates by this reason, that reason and the other reason, and four or five others; but the important fact is that it costs Alberta people the extra amount of money which I have indicated on most commodities because they live in Alberta. Attribute the discrepancy to discrimination, to any cause you desire; the simple fact is that there is injury done to the economy of Alberta, which is an injury to the Dominion of Canada as a whole. And any group of men, board of transport commissioners or managers of the Canadian Pacific Railway or the Canadian National Railways, who cannot see that, need to have something done to their mechanism upstairs. I think there is no doubt about this general statement.

An hon. Member: Carried.

Mr. Blackmore: Yes, I know; you will want it carried even more before we get much further. A lot of this should have been dealt with long ago. It has got worse all the time, until it is generally putrid now.

This statement, "The reduction for class rates is on a higher percentage in eastern Canada than in Alberta, or on movements from eastern Canada to Alberta", I take from a document which I propose to refer to occasionally in the course of my remarks. This document was prepared by the Edmonton chamber of commerce as a submission to the royal commission on dominion-provincial relations in 1938, and dated February 10, 1938. The Edmonton chamber of commerce assert that they had at their disposal some of the most competent experts available in the matter of freight rates, and therefore they are completely confident that everything they say is not only accurate, but moderate and representative. I quoted from page 28 of the submission.

May I turn to the second statement which I make, that our primary producers are inequitably handicapped by freight rates in Alberta. Barbed wire, of which we use so much in Alberta, can be shipped from Montreal to Vancouver for 75 cents per 100 pounds, but to Edmonton it costs $1.98; wire fencing, $1.25 to Vancouver and $1.98 to Edmonton—all these figures are from Montreal; building paper and roofing, $1.25 to Vancouver and $1.98 to Edmonton; iron and steel bars 65 cents to Vancouver and $1.79 to Edmonton; nails, $1.50 to Vancouver and $1.98 to Edmonton; structural steel, bolts and nuts, $1 to Vancouver and $1.98 to Edmonton. This gets rather tedious after a while, does it not? Many other hardware items show similar discrimination in the matter of freight rates. Then twine, which we use in all our harvesting operations, $1.30 to Vancouver—where they do not need it—and $2.33½ to Edmonton, where they do need it; window glass, $1 to Vancouver, and $1.98 to Edmonton; agricultural implements, which we use so generally in Alberta, $1.25 to Vancouver and $1.79 to Edmonton; galvanized or plain steel sheets, 60 cents to Vancouver and $1.44 to Edmonton. These figures can be found in the submission from which I am quoting, page 31.

All that is necessary is a very casual look at the list to satisfy any fair-minded person that something is most radically wrong in the building up of the freight rate structure in Canada, so far as Alberta is concerned. I am not arguing that any particular discrimination has been shown in favour of British Columbia. I believe that British Columbia is paying quite as much for freight rates as she needs to pay. But imagine what the feeling of British Columbians would be if they lived in Alberta and faced the figures I have just placed on record. As a matter of fact—

Mr. Murray (Cariboo): May I ask the hon. member a question?

Mr. Blackmore: Yes, a hundred of them, one at a time. Speak as loudly as you can so I may hear them.

Mr. Murray (Cariboo): Why not quote the rates, not to Edmonton but to Dawson Creek, or to points up in the Peace river country?

Mr. Blackmore: Some of these days I will come in with a speech prepared to give those freight rates. But I did not come here today with the whole freight rate structure at my disposal.

Mr. Murray (Cariboo): The hon. member's reference to British Columbia being given preference—

Mr. Blackmore: I did not say that British Columbia was being given preference.

Mr. Murray (Cariboo): The most important farming area in British Columbia is the Peace river country contiguous to Dawson Creek.

Mr. Blackmore: And I have just finished making a statement that should have warned the hon. member not to make the statement he has just made. Apparently he could not hear what I said. I suggest he listen to what I say from now on.

It is pointed out that many commodities might be shipped from Montreal to Vancouver, and then back to Edmonton—all those hundreds of miles extra—and then shipped out a distance of forty miles to a town called Holden, and sold more cheaply than if they were shipped directly to Holden from Montreal. What does that mean? It means that Alberta distributors are being deprived of the privilege of distributing goods to the people of Alberta. But apparently the freight rates were designed for that very purpose. And if they were not designed for that purpose it will take plenty of explaining on the part of the men who drafted those freight rates to clear themselves.

We come now to the third point: the freight rate structure in Alberta impedes ordinary economic development within the province more than does the freight rates structure in any other province in Canada. I shall quote a general statement from the Edmonton submission in this connection and leave the burden of proof upon them. These are their words as they appear at page 28:

> Moreover, certain goods moving to or from points in other provinces enjoy a commodity rate that is not available on movements of the same goods to or from Edmonton and other Alberta points, which latter movements carry class rates.

I am sure that statement could be supported with figures just as striking as the ones I used in connection with the other point I made. But we will not take time to give too many figures, because it would weary the house.

The fourth point is this: interprovincial trade between Alberta and British Columbia is hampered by inequitable freight rates in a way that in my judgment constitutes a scandal. If any province has any rights at all, economically, those rights ought to include the privilege of trading with the province next door in an unimpeded manner. But that is not so in respect of British Columbia and Alberta. Why? I am not going to go into that matter. It has been suggested, though, that long ago certain men in eastern Canada realized the tremendous productive potential of Alberta and British Columbia, and intended to see to it that never should those provinces reach the degree of industrial development of which they were capable, considering their resources; and the freight rates were simply one of the means whereby a guarantee was provided that such development would not take place. If that is so, and if that was behind the freight rates, then I submit an outrage was committed against Canada. There was a betrayal of trust on the part of the men who had anything to do with planning those rates. There is an equal betrayal of trust on the part of the men who suffered those inequities to endure. I propose to quote again from the submission by the Edmonton chamber of commerce. At page 28 I find this:

> Again, basic freight rates on movements between Alberta and British Columbia are much higher than on interprovincial movements in any other part of Canada.

I am going to leave once more the Edmonton chamber of commerce to support its case, and I am sure it can do so. Then again from page 28 I quote:

> Similarly, movements from Vancouver to Winnipeg and eastern Canada are subject to a higher relative reduction for class rates than are movements from Vancouver to Alberta.

I now come to what is perhaps the most pernicious aspect of all, and that is that in effect a tariff wall has been erected against Alberta, through freight rates. Certain freight rates protect certain Ontario producers against competition from Alberta processed goods in any western Canadian market, and in the Ontario market. For example, live cattle carry a freight rate from Edmonton to eastern Canada of $1.14 per hundredweight. But fresh meat, the steer that has been killed and processed, thus giving Alberta people a little work to do, costs $1.88 per hundred as compared with $1.14, or 68 per cent more. Imagine any railroad charging, for a steer dead and dressed, something that requires no care or feeding or anything of that sort, 68 per cent more for shipment from Edmonton to Montreal than is charged to ship the same steer alive! Just contemplate that calmly and consider what it has done to the development of secondary industry in Alberta. Obviously the object has been to keep Alberta a primary producer or a hewer of wood and a drawer of water for the other areas of Canada, and permit those other areas to draw off the cream from the production of Alberta. The same inequity in freight rates exists in respect to live cattle and dressed beef shipped from Alberta to Vancouver. Whichever way the beef is going they have arranged matters so that Alberta loses much of the advantage of the livestock she produces.

No wonder the leader of the opposition had such scathing things to say about the board of transport commissioners; I am not sure that I should not say a few myself. Here are some more astonishing things. Certain freight rates expose the Alberta manufacturer to competition from Ontario goods in the Alberta market. In other words, certain

goods can be manufactured in Ontario and shipped many thousands of miles to be laid down in Alberta at prices permitting them to compete with advantage with Alberta products made right on the ground.

Here are some examples. Alberta butter is prevented from entering the Ontario market in the following way: To ship 400 boxes of Alberta butter from Edmonton to Toronto costs $764.82, exclusive of icing charges, while the same weight of Ontario condensed milk or other products shipped from Aylmer to Edmonton, a slightly greater distance, costs only $467.46. It costs just slightly over half as much to ship from Ontario to Alberta as it does to ship from Alberta to Ontario. If that is not erecting a tariff wall against Alberta, I do not know what it is.

Mr. Major: You get the advantage of the cheaper food.

Mr. Blackmore: We may get lots of advantages, but until you live there and know more about it you cannot realize that these advantages are simply green pastures on the other side of the fence.

Mr. Major: A figment of imagination.

Mr. Blackmore: A figment of imagination. Some people think that we in Alberta are living in a sort of paradise, and perhaps that is so compared with people in eastern Canada. Here are some more examples.

Mr. Laing: You want to share it with British Columbia.

Mr. Blackmore: Vegetable oils, used in the preparation of shortening, can be shipped from Montreal to Edmonton for 90 cents per hundred pounds to compete with Alberta lard, but it cost $1.60 per hundred pounds to ship Alberta lard from Edmonton to Montreal. Ninety cents going one way and $1.60 going the other way.

Some hon. Members: Oh, oh.

Mr. Blackmore: I think it would be well not to deal with this matter with too much levity because there has been too much levity connected with it already.

Mr. Goode: How much lard has Alberta to ship to the east?

Mr. Blackmore: I am sure the hon. member realizes that no one could come down to the chamber with all the information necessary to answer any question that might be asked. Even the ministers cannot do it. But let me tell the hon. member that if Alberta has not the lard to ship it is because the producers have been discouraged from producing that product owing to abominations such as this that have occurred over the years. We could be producing a tremendous amount of these things, and if we are not, Canada is so much the poorer by reason thereof.

Now I come to fertilizers. To ship chemical fertilizers from Warfield, British Columbia, to eastern Canada costs 55 cents per hundred pounds but to ship stock fertilizers from Edmonton to eastern Canada, 363 miles shorter, costs 95 cents per hundred pounds. Can someone give me a reason for that difference? To ship fish oils from British Columbia coastal points to Toronto costs 65 cents per hundred pounds, whereas it costs $1.25 per hundred pounds to ship inedible tallow from Edmonton to Toronto, 60 cents per hundred pounds more. To ship edible tallow from Edmonton to Toronto costs $1.50 per hundred pounds, another 25 cents.

To ship lard and lard substitutes from Ontario to British Columbia points costs $1 per hundred pounds, whereas to ship the same products from Alberta to British Columbia, 2,000 miles less, costs 98 cents per hundred pounds. In this way the people who set up the freight rates are forbidding Alberta from selling her lard in British Columbia, this to the advantage of the eastern producer, although Alberta is 2,000 miles closer to British Columbia. To ship fish meal and scrap for animal and poultry feed from British Columbia coastal points to eastern Canada costs 85 cents per hundred pounds, but to ship packing house material, a competing product, from Alberta to eastern Canada, costs $1.33 per hundred pounds. The British Columbia producer is given an advantage of 48 cents per hundred pounds in shipping this commodity to eastern Canada. In effect that is a tariff wall against Alberta.

To ship hides and edible tallow from Vancouver to eastern Canada costs $1.25 per hundredweight, but from Alberta to eastern Canada the shipping cost is $1.50 per hundredweight, 25 cents per hundredweight more. That effectively shuts out Alberta from the eastern markets so long as British Columbia has the material to sell. I am not complaining about British Columbia, but I do complain against these outrageous inequities which obtain in the freight rate structure and from which western Canada has been suffering these many years.

To ship canned meat from eastern Canada to British Columbia costs 75 cents per hundredweight as compared with 98 cents to ship the same product from Alberta. On the one side we are shut out from the eastern Canadian market, and on the other side we are shut out from the British Columbia market. This is the result of the freight rates set-up and certain solemn and sanctimonious

men representing the board of transport commissioners will stand up here and endeavour to argue that such rates are quite appropriate!

Such was the condition which obtained in 1938. Since that year, as the leader of the opposition pointed out this morning, we have had several horizontal advances, every single one of which aggravated the inequity and inequality by so much more. I should like to commend the leader of the opposition and the leader of the C.C.F. on the fine national point of view they assumed in their speeches this morning. I desire to assume the same national point of view. One of the things that amaze me is that Albertans have had to do so much fighting for the bare right to live. The assumption seems to have been that we did not need to live at all, that somehow or other we drew manna from heaven to supply our needs.

We want it understood that we too are anxious to see Canada become a great nation.

One of the serious difficulties from which we suffer in Canada is the loss of the very finest of our trained youth to the United States. Canadians spend tens of thousands of dollars a year to educate our boys and girls, and then they go to the United States and render service there. I am sure this constant migration over the years has constituted a drain on the Canadian economy. I wonder if there is any member in the house who desires to see that drain continue. If we are going to stop the exodus of youth from Alberta to the United States we must alter the conditions obtaining in the province so that when our splendid Alberta youth grow to maturity they will find the country attractive to live in. Every person who leaves Alberta to go to the United States is a distinct loss to Ontario, Nova Scotia, British Columbia and all the other provinces just as much as he or she is a loss to Alberta. Let us never forget that for one moment. Anything that hurts Alberta hurts all Canada.

I do not wish to spend all my time in criticism. I would much rather point out something that can be done about the situation because obviously a remedy is required. I have three principles that ought to be accepted and implemented by the government immediately, starting today. These principles should constitute an interim policy, something that we can do while we are determining what else to do by way of a long range program. In the first place we should set up a commission consisting of three representatives from each province chosen by the province they represent whose first purpose would be, in conjunction with the railways and the government in a round table, friendly, brotherly discussion, to determine an equitable freight rate structure for Canada. I do not wish to be sectional. I do not want to say anything that might offend my good friends from Ontario and Quebec because we depend on you for our welfare just as you depend on us. We want to get it into your minds that you depend on us for your market. If we are impoverished by inequities it impoverishes you at the next turn of the road. Let us get that into our minds clearly and fundamentally.

I noticed that most of the Ontario and Quebec members did not seem to be greatly impressed this morning when the hon. member for Rosetown-Biggar pointed out that it cost 26 cents to transport 100 pounds of petroleum a distance of fifty miles from Regina, while to transport the same amount of petroleum for the same distance in Quebec it cost only 10 cents, and in Ontario only 9½ cents. I did not see the reaction of indignation and astonishment which I naturally expected hon. members to display when they contemplated a gross injustice like that being perpetrated on their fellow Canadians in one of the provinces of Canada. That is something that must be changed.

Using that as a point of departure, I want to ask any man from Ontario, Quebec, or any other part of the country if he thinks we can safely commit the setting of freight rates in Alberta to people representing Ontario and Quebec. History has indicated that we cannot safely entrust freight rates to them. There should be representatives of every province in the dominion sitting on the commission while rates are being drafted so that when the rates are agreed upon they are the result of the best brains that can be brought to bear on the problem.

I do not know whether I ought to say what I am about to say because I hesitate to say anything unkind. But if we just knew to what influences present members of the board of transport commissioners owe their appointment, to whose influence they owe their retention on the board, and whose influence governs their actions while members of the board; if those three questions could be answered now, I suspect that the answers would throw a whole lot of light on the freight rate structure of Canada. Let us have representatives from each of the provinces on the commission. Let the commission meet right away and talk the whole thing over just as though we were starting anew in a new land where nothing wrong had been done.

Then let the commission go to work next on the problem of considering ways and means of financing such a freight rate structure.

I thought the point made by the leader of the opposition was very well taken when he said that there are two vast rocky wastes crossed every day by trains travelling from coast to coast. The one in northern Ontario is a thousand miles of waste where almost nothing but costs are entailed for a train travelling through there. Who pays for all that waste effort? In British Columbia the trains cross the great wastes of the Rockies. Who pays for that waste which gives no return? The next question is, who do you think ought to pay for it? Do you think the people of the three prairie provinces ought to pay the cost of these unprofitable expensive wilderness journeys? Can any man see any reason why that should be? Granted that we Canadians need a railroad to go through the rocky wastes, granted it is for the benefit of Ontario and Quebec as much as it is for the benefit of Saskatchewan, Manitoba, Alberta or British Columbia, let me ask in all simplicity who should pay for the waste? Certainly everybody in Canada should pay for it. Facing this question purely as a national problem, and remembering that we are concerned about the building of a great commonwealth where we can all be powerful and happy, will any man rise in this house and attempt to defend a situation where Ontario and Quebec pay 10 cents a hundred for petroleum transportation that costs Saskatchewan 26 cents a hundred? Will any man say that Ontario and Quebec are paying their share? Someone may ask if I am advocating an increase in the freight rates of those two provinces. I advocate nothing in that respect; I simply say let us turn that over to this commission and let them talk the thing through very carefully. Our two great railroads are a national asset and a national necessity. They must be supported, and the only people in the world to support them are the people of Canada. Can we devise a means whereby each and everyone in Canada can contribute equitably to the cost of supporting our railways? Then if we deem it inadvisable to raise freight rates in order to provide enough money to support the railroads, let us determine to what extent we must contribute subsidies from the national treasury of Canada to make up the amount necessary to maintain them.

That suggests a subsidy. I grant that; but let us turn the matter over to a commission which will be representative of all the provinces, and let that commission determine whether as representatives of the people of Canada they would rather raise the money entirely from freight and passenger rates or only partly in that way and partly by means of a definite subsidy.

The Chairman: Order. I am sorry to interrupt the hon. member, but he has exhausted his time. Has the hon. member unanimous consent to continue?

Some hon. Members: No.

Some hon. Members: Go ahead.

Mr. Blackmore: I can conclude in just a moment if the committee would permit me.

Some hon. Members: No.

Some hon. Members: Agreed.

The Chairman: The hon. member may not continue without unanimous consent.

Mr. Blackmore: I do not want to continue if I have not unanimous consent.

Some hon. Members: Go ahead.

The Chairman: Has the hon. member unanimous consent?

Some hon. Members: No.

Some hon. Members: Go ahead.

The Chairman: The hon. member can see that he has not unanimous consent. I am sorry.

Mr. Arsenault: Mr. Chairman, this question of freight rates is certainly one of the matters in which the people of Canada are most interested at the present time. After a careful study of this important matter, which carries with it the possibility of unpredictable repercussions upon the economic life of our nation, one would reach the conclusion that above the dollars and cents aspect a great principle is involved which cannot be overlooked by those of us who wish to maintain our present way of life.

There are at least two historic conceptions of how the subordination of the individual or of private enterprise to the common good is to be effected and maintained. One is that the state is the supreme entity and the people its instruments, in complete submission to its dictates and purposes. The other is that the people are supreme, that the state is the creation of their will and the instrument of their purpose to live together for the common good. A few years ago we ended the second world war fought to maintain this latter type of state and government. Our soldiers protected it from the enemies who would have destroyed it by force from without. Our task today is to protect it from

those who, in one way or another, would destroy it from within. Having said this, I shall endeavour to answer the question of how the common good of our nation can best be served in the solution of the problem confronting us at the present time.

Before 1903 there was no regulatory tribunal controlling freight rates in Canada. In that year the board of railway commissioners was established, and in 1938 its name was changed to the board of transport commissioners. Today that board has very wide powers in the regulation of railways which come within the jurisdiction of the Canadian parliament. It might be added that Canada has always had a railway problem. Whatever may be said of the railway problems of the past, however, it is certain that the problem today is how the people of Canada can be given adequate and modern transportation service at the lowest possible cost to the nation, and without unnecessary or uneconomic consumption of labour and materials.

No transportation service can be said to be adequate unless it is so arranged and its rate structure so framed that the traffic of the country moves freely and the agricultural and industrial development is maintained and encouraged. The problem definitely is not which part of the country should obtain special treatment in comparison with another part, nor is it the extent to which artificial or uneconomic development of certain parts of Canada may be achieved at the expense of other parts. The problem further involves the need of ensuring that the railways in Canada be made and be maintained financially sound in order to be able to provide adequate and modern service. Railways must be in a financial position which will enable them to keep pace with the need for expansion and modernization of their services.

As far as freight rates are concerned, the railways themselves have an interest at least equal to that of the shipping public in maintaining rates at the lowest possible level. It is not desirable, however, that the railways should provide uneconomical transportation service merely to create artificial growth in areas where the geographical disadvantages are such as to prohibit the economic development of certain industries.

As we all know, in recent years Canada has experienced two major inflationary cycles, which were the aftermath of world wars I and II. Following world war I, from 1917 to 1927, there were a number of freight rate increases, decreases and inquiries. From 1927 to 1946 there were no general rate increases, decreases or investigations by the board of transport commissioners. Canadian railways, unfortunately, are not immune to increased costs any more than private concerns or citizens in Canada. As a service industry the railways must receive sufficient returns to enable them to meet the costs of providing the service. Canadian railways felt the full impact of the increasing material and labour costs, which were evident in the latter part of world war II, and which have continued up to date.

When one listens to the many criticisms of increased freight rates, it would appear that this elementary fact has been overlooked. As the Minister of Transport has said the railways have made two applications for rate increases. The first application was for a 30 per cent increase, and that was made on October 8, 1946. Final determination of this application was not made until March 30, 1948, two years later, when the board granted a 21 per cent increase. The second application for a 20 per cent increase was made on July 27, 1948. This was not decided until May 25, 1950, when the board awarded the full 20 per cent. What caused the delay of approximately two years in determining each of those applications for increased rates? It was caused by the board itself, by the governor in council and the Supreme Court of Canada, at various times considering each and every issue that has been brought up in the house today, as well as many others.

Irrespective of what has been said today in this house, I contend that the board of transport commissioners is a group of men trained in railway matters, and assisted by a reliable, competent and experienced technical staff. The board has a freight traffic staff presided over by Mr. Kirk, who has been in freight traffic work all his life, and who has been with the board for more than twenty years. His ability has been recognized by practically every province and every railway in this country; his experience and that of the members of his staff have never been challenged, except in this house. When the leader of the opposition was speaking against the board this morning, I thought I should remind him that he was still studying law at Osgoode Hall when Mr. Kirk was learning freight rate matters. If I am not mistaken, at that time the leader of the C.C.F. party was teaching English. The head of the board's statistical branch, Mr. Scott, received his training in the province from which the member for Rosetown-Biggar comes. Whoever made the error referred to by the leader of the C.C.F. party this morning, at least the board corrected it and candidly admitted they had made an error. If both the leader of the official opposition and the leader of the C.C.F. party were willing to acknowledge perhaps the many errors that they have made in the past,

and corrected them, the business of this house would proceed with greater dispatch, and perhaps the prosperity of Canada would be advanced.

The leader of the opposition talked about a lot of nasty things such as intolerable discrimination, confusion, inequities and the like. He said that, judging by the results, the board of transport commissioners was completely incompetent. Judging by the confusion which for many years has existed, and still prevails, among the members of the Progressive Conservative party, and judging by the results of the last general election in Canada, using the same sort of argument the leader of the opposition directed against the board this morning, one might be inclined to point to the intolerable incompetence of the leader of that party. But that is quite untrue, as we all know. If the argument is sound when applied to the board, it is equally sound when applied to the leadership of the Progressive Conservative party. In either case, it is an argument that merely carries a lot of noise, and does not stand the test of reason. One must, therefore, have confidence in the board of transport commissioners, or else get rid of the board altogether. We must have confidence in the fact that every issue receives full consideration and is determined by the board on its merits, with the assistance of the most competent staff of technicians that can be secured in Canada today.

As we all know, the greatest portion of the cost of railway operation is labour costs. In the period of 1946 to 1950, two substantial wage increases were awarded to the railway employees. The first was a ten cent per hour increase effective June 1, 1946, which added approximately $40 million per year to the railway operating payroll. The second was a seventeen cent per hour increase, effective on March 1, 1948, which added another $68 million to the payroll of railway employees. The two increases amounted to over $100 million per year. These increases granted railway labour did not result in wages out of proportion to the wages being paid labour in similar occupations in other Canadian industries. We should not overlook the fact that the railways are rendering a public service. They must, therefore, have adequate capital to maintain and operate their properties, so as to be in a position to perform their functions. Any form of regulation must recognize these obligations. It is the duty of parliament, which provided for the regulation of the railways by the board of transport commissioners, to make certain that the board is not hampered, and is able to grant justifiable freight rate increases to enable the railways to furnish the low-cost transportation which is so essential to Canadian prosperity.

The users of the service must pay the cost of providing the service. Unless this basic economic fact is recognized, Mr. Chairman, two results will come about. First, private enterprise cannot be maintained in the railway industry, and all railways must sooner or later come under public administration. Second, the general body of taxpayers must bear a portion of the transportation charges. Therefore, the general taxpayers will be called upon to subsidize those citizens who use railway services. I am afraid that the result would clearly be contrary to our present way of life.

Moreover, the railways today are meeting stiff competition, particularly from motor trucks and water carriers. It has been contended that competitive rates are of great benefit to eastern Canada, where there are extensive waterways and many truck operators, and that such competitive rates are not available in western Canada. There are numerous competitive rates throughout Canada. May I remind the committee that truck competition is not limited to eastern Canada. There are many truck operators in the prairie provinces and in British Columbia as well, as we all know.

The railways are meeting truck competition in the west as well as in the east. The great lakes and St. Lawrence waterways benefit traffic moving to and from western Canada. In any event one must not let the matter of competitive rates get out of focus. Competitive freight revenue in 1949 on Canadian railways was only about 14 per cent of total freight revenue, on the average.

It is also contended today that shippers in western Canada, and in the more remote parts of our country, who are a long way from their markets, pay more freight rates than do those Canadians situated close to their markets, and that increasing freight rates by horizontal increases or, as it is sometimes known, by a straight percentage increase, puts an unfair burden on the long haul shipper.

The board of transport commissioners has considered this argument time and time again. The western provinces particularly have urged this argument before the board. The board of transport commissioners, after very careful consideration, stated that the straight percentage or horizontal increase was the only fair and equitable way to apply general increases in freight rates. If a maximum was to be applied to the amount of increase rather than applying the increase by a straight percentage, the short haul shipper would be paying an undue proportion of the increase required in the light of the service being received. For example, why should a man

shipping his goods five hundred miles have his rates increased by the same number of dollars and cents as would the man shipping his goods a thousand miles? That is the result of applying a maximum increase.

Railway rates should be at such a level that there is, after payment of expenses, an adequate return on the money invested in railway enterprises. Unless we are going to change our way of life, as I said a moment ago, this view must be true, whether the money invested is government money, as in the Canadian National Railways, or privately invested money, as in the Canadian Pacific Railway.

This committee knows that the Canadian National Railways has been able to pay its operating expenses but has not been able to pay its fixed charges, or provide a return on the investment in the railway property. In 1948 the Canadian Pacific Railway had a return of only 1.80 per cent on its investment in railway property; that is, the net investment after full deduction for depreciation. In 1949 the return on the net railway property investment of Canadian Pacific Railway was only 1.97 per cent. These figures can be secured from the evidence given by the Canadian Pacific Railway to the royal commission on transportation. Therefore, investors in the Canadian Pacific Railway have no guarantee that they will secure a return on their investment; but in prosperous times for the railway to be able to earn only less than 2 per cent on its net rail property investment is obviously inadequate treatment of private investors.

Certainly no one will allege that Canadian railways are not efficiently managed. And no one will deny that the employees of such railways are good citizens, striving to do a good job and to give Canada outstanding service. I need merely point to the tremendous and efficient job performed by railway employees and railway management during the last war to prove that railway employees and management are industrious, resourceful and efficient.

The efficiency of Canadian railways can still be improved by the railways securing new types of locomotives, such as diesels and other modern machines, and rearranging their plants, such as their yards, so that traffic can be handled more cheaply and more speedily. To carry out these improvements, railways require money. The only place, for example, the Canadian Pacific Railway as a private enterprise can secure that money is from private investors. For private investors to lend their money to the Canadian Pacific Railway, such investors must have a fair chance of a reasonable return on the money they lend.

[Mr. Arsenault.]

In conclusion, may I quote an excerpt from the evidence of the chairman of the Canadian Pacific Railway, Mr. George A. Walker, before the royal commission on transportation on December 12, 1949, when he stated:

> It has been the consistent policy of successive governments of our country and was recently reaffirmed by the Prime Minister of Canada that "the best way to maintain a high level of employment and to ensure prosperity is to provide the widest possible scope for private enterprise." No major political party in this country has ever adopted a contrary attitude.
>
> As the first great enterprise in Canada, one which was an essential link in confederation itself and which is still the greatest single enterprise in this country, the Canadian Pacific may justly claim the benefit and protection of such a government policy in as full measure as, but no more than, industry generally throughout Canada.

Finally I would like to say this. Surely this committee will agree that it is not equipped to deal with freight rate details. Most of us will come to the conclusion that the board of transport commissioners should be left to handle this problem on the evidence presented, and bring to bear their wide experience in arriving at a fair and just conclusion for the common good of the whole Canadian community. Unless we are prepared to leave the matter to the board of transport commissioners we must, admittedly ill equipped, deal with it ourselves. Surely no one who has given any serious thought to the question would suggest that as a solution.

Canadian railways must be allowed to live and to live dynamically. Let us support the experienced and qualified judgment of the board. Let us not hamper the railways from living by attempting to place our inexperienced judgment above that of the board of transport commissioners, to which parliament has given the task of seeing that the railways and the public are fairly and justly treated.

I sincerely hope that the house will agree that, through the board of transport commissioners, private enterprise, which is seeking no favours or special privileges but only fair and just treatment in this matter, will be fostered.

Mr. McCusker: Mr. Chairman, the question of freight rates as applied to western Canada divides itself into two distinct compartments. In one compartment are the rates set by the Crowsnest agreement, which cannot be interfered with, and in the other compartment are the rates that vary.

In today's discussion we have heard the rates for Canada generally discussed, and very little has been said about the Crowsnest pass agreement. I think perhaps it might be wise at this time to say a few words in explanation to those who do not know the

reason for its existence and how it came about. In the early part of the settlement of western Canada we found ourselves with a completed trans-Canada railroad. In the prairie provinces there were about 300,000 people. They were discontented. There were high freight rates, and settlement was at a standstill. Eastern Canada itself had only about five million people.

It was decided that to develop the country a vigorous program of immigration must be introduced, that the people of eastern Canada must depend upon western Canada to purchase everything that they required to settle that country. The natural market for the prairie country lies to the south. The great lakes region prevented our coming east. The Rocky mountains prevented our going west; trade was naturally with the people to the south.

The Canadian Pacific Railway wanted to overcome this, and therefore built a line from Lethbridge to Nelson, so that it would get in and shut off the traffic which was going from southwestern Alberta and southern British Columbia into the United States. It had been promised then that immigration would be strongly supported. This road was built, and for that the Canadian government gave to the C.P.R. a subsidy of $3,404,000 and from British Columbia it received a land grant of 3,620,000 acres with the mineral rights, and 60 square miles of coal land. They obtained a monopoly on the transportation to southern Alberta, and therefore were in a most favourable position to control trade there.

We know what has resulted from this. The great Trail smelters have developed into one of the greatest sources of income for the C.P.R. today. For this what did the railway give? It gave the Crowsnest pass agreement which was an undertaking that it would reduce the rates on grain to the extent of three cents per hundred pounds shipped from prairie points to the lakes. It also agreed to bring settlers effects, machinery and other essential goods for settlement from eastern Canada at a favoured rate amounting to a reduction of from 10 to 33⅓ per cent. These rates were set up and were to constitute the maximum for all time. The C.P.R. set the rate that it would give.

Owing to competition from the Canadian National Railways, which came into Manitoba, an agreement was made whereby the maximum rate was not changed until 1918. In 1918 a Tory or union government at Ottawa did away with the Crowsnest pass agreement. This may be surprising to some Conservative members when they learn about it. But thanks to an alert senator, Senator Watson, the Senate did not approve of the bill with the result that the rates were only suspended for three years. They rose above the maximum set by the Crowsnest pass agreement; but in 1922 a Liberal government again restored the rates on wheat and flour moving from the prairie provinces to Fort William. The rates on commodities moving west were restored in 1924.

Then arose a dispute as to the application of the agreement. The railways claimed that the rates applied only to points in existence when the act was passed, and that from any other points they could charge full rates. The submission to the royal commission on transportation by the pools in January of this year contains the following:

> Upon reinstatement of the Crowsnest pass rates in their entirety, July 7, 1924, the C.P.R. for the first time took the position that the agreement only applied to shipping points which were in existence in 1897. It accordingly ignored the maximum set by the agreement in so far as all other points were concerned. The discrimination and confusion thus created brought about appeals to the board of railway commissioners, and the government alike. The board held that the provisions of the agreement had been overridden by the Railway Act and it, therefore, restored the rates in existence prior to July 7, 1924, which on westbound freight were at a level higher than the maximum set by the agreement.
>
> The board's decision was reversed by the Supreme Court of Canada, which held that the Crowsnest agreement was binding upon the railroad and the railway commissioners, but only applied to shipping points in existence in 1897.
>
> The Parliament of Canada in 1925 intervened by relieving the railway company of its obligations under the agreement with regard to all commodities shipped from eastern Canada to the west. Thereby it removed the ceiling set by the agreement on all such commodities. At the same time, parliament not only refused to relieve the railway company of its obligations with regard to grain and flour rates, but enacted that they should apply to all shipping points, irrespective of whether or not they were in existence in 1897.

It is as a result of this Crowsnest pass agreement that the Maritime Freight Rates Act was passed, giving a 20 per cent reduction in freight rates to the maritimes. It was also responsible for the removal of the mountain differential, which was first reduced and then completely abolished by a Liberal government.

The Winnipeg *Free Press* of November 3, 1924, reports Mr. Mackenzie King as having said: "The east is protected by waterways, the Pacific by the Panama canal and the west by parliament." It is just that protection from monopoly that we in the west are asking for today. We are forced to sell on the open market; we are forced to export principally through eastern Canada and British Columbia. I believe the Hudson Bay route has not been given a fair trial, and with modern radar

equipment and a modern icebreaker I am confident that port could be kept open longer than it is now.

I discussed this matter with the wheat pool and asked them why they were not using the port to a greater extent. They said they could not ship grain from Canada until the consignment had been sold in England. I asked them what they did in winter in respect of consignments going abroad, and whether they could not build in England or Scotland a terminal elevator to which they could ship during the summer months and in which they could hold the wheat for delivery, just as they ship to Portland or Halifax or Saint John for winter delivery now. That would save us a considerable amount in freight rates, and we have to look for every avenue of saving on freight rates if we are going to compete in the markets of Europe. Eastern Canada has profited greatly from this handling of grain. We do not complain about this, but what is our position when we come to buy? Our natural market lies to the south in Minneapolis and St. Paul and in the large implement houses in the midwest. Freights from there are much lower and we could obtain our farm implements at much lower prices. But, no. Although we are forced to sell on the open market, we must buy in a closed market and pay for the high protection that is necessary to develop industries in Canada as well as the long freight haul from eastern to western Canada. We did not complain about this until the rates became discriminatory, but the recent rate increases have resulted in a difference of 15 per cent between the eastern and western rates. The real issue here is that of discrimination, not just freight rates.

I should like to refer to a suggestion made by Mr. Tucker, the leader of the opposition in Saskatchewan. He suggests that payment be made to the railroads from the federal treasury, by all the people of Canada, of an amount sufficient to take care of the cost of bridging the gap between the different settled areas of Canada, and then when that is done equalized freight rates should be established right across the country. Of course, close account would have to be kept of the railway operations and accounting systems.

We in western Canada feel that we have some protection in the Crowsnest pass agreement. We paid for it and it never should be abrogated. We almost lost it when the union government was in power, but Senator Watson picked it up in the Senate; otherwise we would not have any agreement today. When I hear someone talking about the reform of the Senate I am inclined to think that at that time it was probably a little brighter than the House of Commons. All the railway acts, all royal commissions, the board of railway commissioners now the board of transport commissioners, were brought into being or set up by Liberal governments. I fail to see any basis for the opposition amendment. As one representing a western constituency I call upon the government to exercise its authority and see that injustices are not permitted.

Before closing I should like to comment upon a few of the things said by a most inconsistent gentleman, the hon. member for Rosetown-Biggar. I am sorry he is not in his seat, but I am sure the hon. member for Cape Breton South will report what I am saying to him. Normally the hon. gentleman advocates state control, but this morning he was advocating keen competition among the railways. He protests that the freight rate increases are too great and should not be granted. I should like to quote an editorial that appeared in the Ottawa *Journal* of February 1, 1950, as follows:

Payment by somebody else

Three western grain organizations appeared before the royal commission on transportation this week to attack railway wage scales. They said the railways' payrolls were too heavy, that rail wages and salaries should be re-examined before attempt was made to increase rates on grain.

Too bad these western grain organizations (Manitoba pool elevators, Saskatchewan co-operative producers and the Alberta wheat pool) did not think of that before. For had they thought of it a year or so ago, when the railways, faced with higher wage demands, were saying that higher wages must mean higher freight rates, their thought might have meant something.

As it was, the railways were left to fight their own battle. The western grain organizations were silent. The provinces were silent. The politicians were silent.

As a consequence, this happened: That when a conciliation board decided the railway employees should get so much and the railway employees insisted on more, the dominion government, not hearing any protests from the western grain organizations nor from the provinces nor from anybody else, stepped in and said the employees must have more.

The railways agreed; they had no alternative. As Mr. Justice Rand put it in the supreme court some weeks ago, they (the railways) "paid what they had to pay." And when they paid, and the stage was necessarily set for higher freight rates (for how else were the railways to get the money to pay the new wage costs?) not a word came from the west. The government wasn't told that by compelling the railways to pay higher wages (higher even than a conciliation board held to be fair) it was incurring the danger of higher grain rates. If the thing was thought about at all, it apparently was thought of with the idea—so common these days—that payment would be by somebody else.

It will be remembered that this morning the hon. member for Rosetown-Biggar protested against any increase in rail rates. However, the railways have shown distinctly that

the increases in freight rates that were given have all been taken up by the payment of higher wages to the brotherhood of railway workers. Is the hon. member for Rosetown-Biggar opposed to those increases in wages to the brotherhood of railway workers?

Mr. Chevrier: That is the point.

Mr. McCusker: I am sorry the hon. member is not here to answer that question. Is that what he was supporting when he spoke in favour of the amendment moved by the leader of the opposition? He is rather inconsistent on that point. I should like to comment on the attitude taken this morning by the leader of the opposition, who has a friendly habit of giving the supporters of the government a lecture on their responsibilities as members and on the duty they owe to their constituents. I have no doubt that he finds these lectures useful and perhaps necessary as far as his own followers are concerned, but I assure him that we new members are fully aware of our responsibilities and we are accustomed to fulfilling our duties.

The leader of the opposition asks us to support his amendment and he says that this government has done nothing. Surely he realizes that every freight rate act was brought in by a Liberal government? Surely he realizes that if it had not been for a Liberal government we would have lost our Crowsnest pass rates? The appointment of royal commissions and everything else has been the work of Liberal governments. I simply wanted to state my reasons why I could not support the amendment, and I hope I have stated them clearly so that my friends may understand.

Mr. Diefenbaker: Mr. Chairman, I have listened with interest to the remarks of the hon. member for Regina City with regard to the freight rates situation and his reply to the leader of the opposition; but he did not discuss the point that this increase will accentuate the discrimination. Nothing has been said by any previous speaker supporting the government as to the removal of discrimination in the freight rate structure. As I listened to the minister speak I began to realize that there was no hope for western Canada and the maritime provinces at all for relief against the increase in discrimination against these areas brought about by continuing horizontal increases in railway freight rates. When the hon. member for Regina City dealt with this question and went back into the history of the Crowsnest rates instead of dealing with the resolution now before the house, I could only conclude that no member from the province of Saskatchewan or the other western provinces can deny the grave injustice that is being intensified by reason of allowing this further increase in railway rates. It is in no way a question whether the railways should be able to finance and return a profit. All of us believe that there must necessarily be an increase in railway rates in order to meet increased costs of operation, wages and the like, provided that the companies are able to establish the necessity for such increases.

What we from the prairie provinces object to—and this applies to the maritimes as well—is that the freight rate discrimination against the economies of two sections of Canada is being perpetuated and the unfair discriminatory rates that have continued over the years are being added to. By 1922 the normal level of freight rates in the western provinces was 15 per cent above that of Ontario and Quebec. So far as the Crowsnest rates are concerned, I join with the hon. member for Regina City, as I have done on many occasions in this house, in urging the maintenance of those rates. There is no question about that so far as members from any of the western provinces are concerned, regardless of political considerations. That is old straw. All are in favour of those rates and intend to press that they are maintained. No matter what political party one belongs to, if from western Canada you support those rates. I am surprised that the hon. member for Regina City did not raise his voice against the injustice of this increase coming as it does on top of the increase in March.

Mr. McCusker: On a question of privilege, I raised my voice against it. I clearly stated that I called upon the government to prevent this injustice taking place.

Mr. Diefenbaker: All right. Now that we have the voice let us also have the vote to support the voice.

Mr. McCusker: On another question of privilege, the vote will follow the voice—

Mr. Diefenbaker: All right.

Mr. McCusker: —but I will interpret it.

Mr. Diefenbaker: Mr. Chairman, in effect he says, I shall do evil and call it good.

Mr. McCusker: The hon. member usually does.

Mr. Diefenbaker: Of course that is no reply.

Mr. Chevrier: Nobody knows that better than the hon. member.

Mr. Diefenbaker: I am going to call as my witness the Saskatchewan Liberal party and a resolution that they supported in the provincial legislature a few weeks ago. I

will also call as my witness a member of the government, Stuart Garson, the then premier of Manitoba.

Mr. Ross (Souris): Hear, hear.

Mr. Diefenbaker: His was a voice for the western people when he was in the west, but that voice has not been raised since coming to the House of Commons. The voice that we used to hear from the premier of Manitoba, as he then was, is still. Oh for the sound of that voice once more—in parliament, where it would have the power to effect what it advocated in the legislature of Manitoba.

Mr. Ross (Souris): Hear, hear.

Mr. Diefenbaker: I want to read from the resolution that was introduced in the Saskatchewan legislature on March 7, 1950, as reported in the Regina *Leader-Post*. I shall quote the Regina *Leader-Post* and the Saskatoon *Star-Phoenix* as well later on on the question of freight rates to show that this is a matter that knows no disunity of opinion among western Canadians, regardless of party consideration. In view of the fact that discrimination is taking place and is intensified by horizontal increases, the continuation of freight rates at their present level strikes at the economy of the western farmer and farmers of the maritimes as well. It strikes at the expansion of industry in western Canada as it does also in the maritimes. The horizontal increases have been imposed on the original unfair discriminatory rates of 15 per cent and as a result the provinces of Manitoba and Saskatchewan are now paying 21·78 per cent higher freight rates than are paid in the two central provinces of Ontario and Quebec. It was 15 per cent three or four years ago, and by reason of the horizontal increases the difference is now 21·78 per cent.

There was no division of opinion when the matter came before the Saskatchewan legislature on the 7th of March. There was a united front. The Minister of Transport must have received the resolution passed unanimously by the legislature and calling upon the federal government to act. The minister indicated today that the government cannot act and terminated his speech by saying in effect that with the case now sub judice and on its way to the privy council, in his opinion the increases were justified. That is not the attitude for a minister of the crown to take on a matter before the courts, thereby indicating that the government approves what has been done.

It is not a question of the railways' need for more income. If extra income is needed and rates must be increased no one will object, but what we do object to is that by continuing to allow these increases, which have the result of increasing the discrimination against the western provinces and the maritimes. Precedent is piling on precedent until finally we will find ourselves in the position where we are discriminated out of existence, economically speaking. That is why there was no division of opinion in the Saskatchewan legislature on the 7th day of March. The motion was passed by all members. It was supported by Mr. Walter Tucker, K.C., leader of the Liberal party in Saskatchewan, in language that I am going to place upon the record of the house. The report in the Regina *Leader-Post* of March 7, 1950, reads:

> A resolution calling on the federal government to disallow the recent 16 per cent freight rate increase pending completion of the report of the royal commission on transportation was given unanimous endorsation by the legislature Monday. Speaking in its support were Premier T. C. Douglas, opposition leader Walter Tucker and municipal affairs minister L. F. McIntosh.
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> The resolution read: "That this assembly strongly protests the recent increases in freight rates granted by the board of transport commissioners, and requests the Saskatchewan government to appeal the decision to the federal government, urging the said government to exercise its statutory power of disallowance under section 52 of the Railway Act, disallowing the latest increases pending the report of the royal commission on transportation."

That was not a Conservative motion. It was a motion moved in the legislature of Saskatchewan. Mr. Douglas pointed out that the increase in March and the recent increases during the past two years had resulted in the consumers of Canada having to pay an additional $131 million in freight rates. The amount has now been increased to approximately $144 million. Mr. Douglas is reported as saying:

> We can be sure a heavy share of this burden fell on the people of the west and maritimes where lack of competition has allowed the railways to take full advantage of horizontal increases.

Further on:

> "We propose to carry the matter to the federal government and ask them to disallow the 16 per cent increase under the veto power in section 52 of the Railway Act." . . . Opposition leader Walter Tucker complimented the premier for bringing forward a resolution on which there could be no political differences.

It is not very often you have compliments passing between those two gentlemen, but all difficulties were forgotten in the face of the needs of that province and the feelings of the people as a whole. Mr. Tucker had this to say in part:

> "On this question of protecting the people of Saskatchewan from bearing an unfair share of railway freight increases the government has the determined and united support of the Liberal opposition. The government of Canada, having committed itself to the setting up of a royal commission

on transportation, must know that we are not going to let any increase come into effect until we get the findings of that commission."

There was the leader of the Liberal party in the province of Saskatchewan taking a most definite stand. He went on to say something more, and these are not my directions to the minister; they come from his former colleague in this house, now the leader of his party in Saskatchewan, who said:

The governor general in council was under no obligation, he believed—

That is Mr. Tucker.

—to permit the latest increase as long as it was not consistent with the over-all policy of the federal government.

In other words, in effect Mr. Tucker said there should be disallowance unless it was the view of the federal government that the discriminatory situation should be permitted to continue. Then he said something more; and while my own words may have no effect I should think the words of Mr. Tucker should be most effective in reply to those who take a different stand from that taken by the province of Saskatchewan. He said:

"There is no reason why the west should bear all the extra costs of a railroad system that is essential to the whole nation." It was also because of national tariff policy, he pointed out, that western Canada had to ship most of its goods from central Canada.

"These factors had left an economic gap between central Canada and the west, Mr. Tucker said, and in their brief to the board of transport commissioners the western provinces had established an 'unanswerable case' in favour of a national subsidy to close the gap."

Then he went on to set forth the situation in general, at considerable length. At that time he expressed the first and fundamental objection to this increase which is that it has the effect of intensifying the injustice that has prevailed over the years. We used to object when the rate was 15 per cent higher in western Canada than in Ontario and Quebec. Surely now we have a right to object when that difference has been increased by approximately 6·8 per cent. This latest increase, coupled with the previous increases, in time will have the result of crippling our western economy. Why should it be brought in at this time, with the Turgeon commission just having concluded its sittings, heard the argument and commenced to consider its report? Surely this piling on of discrimination against the western and maritime provinces should be discontinued. As far as I can see the government can advance no argument for disregarding the call from Macedonia by Mr. Tucker, when he said in effect "Disallow these increases or you will do harm to the economy of the prairie provinces".

Well, Mr. Chairman, there is another voice, that of the Minister of Justice, a clarion voice with which he used to call upon the western provinces to preserve their birthright against injustice. I read first from the Manitoba submission opposing any increase in freight rates, presented to the board of transport commissioners during the hearing of the application for a 30 per cent increase, in 1947. I am quoting from appendix C, "Submission by Premier Stuart Garson," in which he said:

May I, at this point, briefly recapitulate:

The prairie provinces are in the centre of Canada's railway system.

They are a heavy producer of export goods and a heavy consumer of Canadian manufactured goods.

They therefore provide the railways with their longest and most profitable type of freight haul.

They therefore are most adversely affected by a freight rate increase because they have to pay both coming and going over long hauls.

The prairie provinces already pay a disproportionate share of the cost of railway operation in Canada.

That was in 1947. Since then the rates have been increased by more than 40 per cent; but even in 1947 the premier of Manitoba said that the prairie provinces already paid a disproportionate share of the cost of railway operation in Canada. Surely, belonging to a government that has power to act, the voice of the crusader in 1947 should be translated into the actions of the statesman of 1950. Now I shall read from the foreword, also written by the present Minister of Justice, dated January 5, 1948, in which he sets out the facts in such a way that they cannot be challenged. Those facts were accepted by the province of Saskatchewan, as well as by Manitoba. This is what he said:

Since the early days of railroad construction in western Canada, Manitoba has always been in the forefront of those who have opposed the efforts of the railways to take advantage of their quasi-monopolistic position in the prairies by imposing high freight rates which must be paid by the people of western Canada because they have no alternative transportation for the great bulk of the commodities which they buy and sell. Most of the people of western Canada are farmers, miners, fishermen and other raw material producers, or those whose interests are closely tied to this kind of primary production. This is the very group which would be harmed the most by high freight rates.

Let me repeat that statement:

This is the very group which would be harmed the most by high freight rates. For example, in the case of livestock products the return to the western farmer is the price at the market less the cost of getting the article to the market. On the other hand, in the case of manufactured goods, the manufacturer in eastern Canada, because of his tariff protection, is able to sell in western Canada at a price which is set by his factory price in eastern Canada plus the cost of shipping goods from the factory to the user. Thus, high freight rates are a burden upon western Canada both coming and going.

In view of these facts of economics and geography, the people of western Canada have always been quick to oppose any proposal that freight

rates should be increased. Consequently, when on October 9, 1946, the Railway Association of Canada applied for authority to raise freight rates by 30 per cent with certain exceptions, Manitoba was quick to express its opposition and to prepare to state its position before the authorities charged with the responsibility of deciding the matter.

I shall read one further paragraph, in which the present Minister of Justice went on to say:

However, if residents of Manitoba paid that proportion of the increased cost of shipments in the western provinces that Manitoba's population bears to the population of the western provinces, then the additional cost to Manitoba resulting from a 30 per cent increase in freight rates would be over $800,000 per month or $9½ million per year.

So that there be no mistake that we were discriminated against in 1947, and that our freight rates were so much higher than in eastern Canada, I quote these words from the Minister of Justice:

They have shown—

That is Manitoba and these provinces that were opposing these increases.

—that the average level of all effective freight rates is higher by at least fourteen per cent in the west than in the east and that although the total amounts spent for working expenses in the two areas are almost identical, nevertheless, profits in the west exceed profits in the east in the ratio of 2 to 1.

It is a tremendously important submission that was made, and it was supported by the outstanding leaders in agriculture in the province of Manitoba as well as the province of Saskatchewan. It is for that reason, sir, I ask the Minister of Transport not to treat this matter in the way he did this morning, as though nothing could be done. I do not believe in the political fixation of freight rates, but I do believe if we are to build a united Canada there cannot be two, three, or four different kinds of citizenship, according to the freight rate structure in the several parts of Canada. You cannot build a united Canada on the basis of freight rates that are unjust to some sections of the country. That is why this matter becomes of such transcendent importance. I repeat that this last increase, coupled with the other increases, means that the western provinces will be paying 21·78 per cent higher freight rates than are being paid in Ontario and Quebec. This cannot continue; the problem must be determined. The commission has been sitting, and while the commission sits to determine whether discrimination shall be allowed, the discrimination continues to mount.

I shall now read, sir, from the Winnipeg *Free Press* editorials on this subject. It has taken a very strong stand over the years. On March 3, 1950, that newspaper said this:

This discrimination in rates is an old, old story, being the pith and substance of almost every major freight rate case since 1907. Some forty years of consistent and unremitting effort on the part of the western provinces has gone into the fight for justice in freight rates.

The discrimination arises as follows:

The editorial sets out what the result is, and then it points out:

Up to 1922, the transport board repeatedly moved to correct this discrimination by granting larger increases in rates in the east than in the west or by granting an increase in the east but none in the west.

Since 1922 the board of transport commissioners has done nothing such as it did prior to 1922 to prevent the increase in degree of discrimination. The article continues:

Thus the old discrimination against the west not only remains but is worsened. The latest flat increase of 7·4 per cent applied to an eastern rate of, say, 85 cents is one thing. Applied to a western rate on the identical commodity of one dollar, it is another. The present differential of 15 per cent is increased.

When I hear praise of the transport board, these words come to me from the Winnipeg *Free Press:*

The opinion of the west will be that once again the transport board has been derelict in its duty to the detriment of this part of Canada.

These are not the words of a Conservative paper; these are not the words of the opposition in parliament; these are the words of the Winnipeg *Free Press* which, over the years, has fought a battle on behalf of the removal of the unjustly discriminatory system that has prevailed for years, and has been intensified in recent years. When the Minister of Justice was in Manitoba his freight rate conscience reposed in the *Free Press*. I ask him to bring to bear on the government to which he now belongs the force of the principles which he enunciated in 1947. They are even more true today, because the discrimination of that day has been added to by horizontal increases.

What should our attitude be? The attitude in Saskatchewan is shown by the editorials in every newspaper in that province. The Saskatoon *Star-Phoenix* of May 26 said this:

The board of transport commissioners has sanctioned another increase in freight rates. This time it is 3·4 per cent. But coming on top of three other increases in a little more than two years it will inevitably push some farm districts and some businesses in western Canada below the level of profitability.

This newspaper concludes that the increase is going to result in business and farm districts in certain localities being forced below the level of profitability. The editorial continues:

The things we sell and most of the things we buy must move by rail at some stage in their exchange. We have no waterways or other forms of transport

to restrain the insatiable appetite of the railways for more money. The west pays the full shot every time.

At the end of the article, this appears:

The present order perpetuates these errors in rate making. It is the third time these errors have been applied since the cabinet asked for a review. They are in a fair way to becoming established as precedents unless they are challenged. The provinces must appeal this order as they did the order of March 1, 1950. And when the appeal is launched, the government should hear the appeals before the new rate goes into effect. We think the new rate is unjust because it is based on rate-making rules that are unjust. The cabinet is our only remaining protection. We should have access to it immediately before any more damage is done.

Surely that challenges the Minister of Transport to speak otherwise than he did in his concluding words today, when in effect he gave approval to what has been done.

The Regina *Leader-Post* is equally definite. In an editorial on May 27 it said this:

With the latest award, rates have been increased by 45·2 per cent since 1948 to extract an estimated additional $144 million in revenue from the public. But this will not be the end.

Farther down it says:

The cabinet clearly has the authority to grant a stay in the application of the higher rates. The appeal already has been made to the cabinet following the March 1 award. But consideration was postponed until the board had completed its judgment on the application which was disposed of Thursday.

Then the editorial gives this reason for postponement until the report of this royal commission is brought down:

Since the main purpose in appointing the Turgeon commission was to endeavour to find a remedy for this situation, the fair and sensible course for the cabinet to take is to grant the provinces' appeals in the hope that shortly the commission's report will point a way to a solution of this knotty problem.

Sir, no matter where one goes in the western provinces, whatever the political faith may be of the individual, farmers and businessmen are saying, as I know the maritime people are saying, that because we live on the western plains, by reason of geographical location, this discrimination must cease. There is very little hope of its being stopped when the minister approaches the subject in the offhand, cavalier way he did this morning. He gave us history. It is not history they want today. What they want is action. He places the responsibility directly upon the board of transport commissioners.

There is only one means by which the leader of the opposition could bring this matter to the attention of the country, and that is by the traditional method. I could go into the records of the old country to show where the same method has been used on occasion. Where there are boards, and the government takes the recommendations of the boards and has the power to disallow them and does not, the only way in which parliament can speak is through an amendment reducing the expenditure for the board in question to the sum of one dollar. That is the only way in which members of parliament can officially say—I speak for those in the western provinces—whether or not they accept what has been done.

It is all very well to say, when the session of parliament is over and we go home, that we were against the increase. It is so easy to say that. There is no other way. If anybody can tell me of any other way by which parliament can show that we from the western provinces and the other provinces of Canada are discriminated against, that we oppose this discrimination, that we do not believe an injustice can be removed by aggravating an existing discrimination, I will give him an opportunity to do so.

This debate is one which directly affects men and women everywhere in this dominion. As I said at the beginning, no one argues the need of private enterprise being able to pay a fair and reasonable return; no one argues that you want to see perpetuated a system whereby any government industry is constantly coming back to parliament for help. Fair rates will assure fair wages; proper rates will assure the discharge of the proper responsibilities in expenditure. But surely the answer to the railway problem of Canada is not to load discrimination on top of discrimination against certain areas within our country.

I could go further and quote from the present Minister of Justice when he was premier of Manitoba, who said in 1947 that if the eastern rates were raised to the equivalent of what the then western rates were any question of a deficit would be done away with. Whether that is the solution I am not saying. That is what the Turgeon commission is endeavouring to decide at the present time. Since the matter is before the commission I am asking through you, sir, that the minister shall heed the small voice—it must be small today because no one has heard it—of the Minister of Justice who, speaking in stentorian tones in 1947, said in effect, "This condition dare not continue." And since then it has not only continued but multiplied and increased while the minister has sat as a member of the cabinet.

Mr. Gillis: Mr. Chairman, I have a few observations to make in this debate. I have listened with much interest to what has been said so far. In my opinion, what we are considering at this time is, first, whether the board of transport commissioners is competent or otherwise; second, whether the

increased freight rates that are proposed can be justified. A royal commission is looking into the problem; but before I go into the details of a discussion of that kind I should like to say this to the hon. member for Regina City—he invited it. When he was speaking he made some critical observations with regard to what the hon. member for Rosetown-Biggar had to say this morning, and intimated that the hon. member for Rosetown-Biggar was departing from the position that he had taken on this question over the years.

I thought the hon. member for Rosetown-Biggar was clear this morning. His whole protest was based on the inequality that exists with respect to freight rates as between the centre, the east and the west. The hon. member for Regina City charged that the deficits on the Canadian National Railways accrue particularly because of the increases in wages.

Mr. McCusker: On a point of privilege, I named no railroad.

Mr. Gillis: The hon. member's observations would not leave any doubt in anyone's mind.

Mr. Gauthier (Portneuf): That is your opinion.

Mr. Gillis: First, he is wrong in the statement that the deficit on the Canadian National Railways accrues because of wages.

Mr. McCusker: Once again, on personal privilege, I made no such statement, nor did I insinuate it.

Mr. Gillis: The Canadian National is the only railway that has a deficit. The hon. member could not be talking about any other.

Mr. McCusker: Mr. Chairman, I was not speaking of deficits. The statement which I did make—and the hon. member would have heard it had he been listening—was that the railroads had stated that the allowable increase in freight rates had been taken up by increases in wages. I said nothing of deficits.

Mr. Gillis: The hon. member did make reference to the wage demands that are now before the different railroads, and so forth.

Mr. McCusker: The hon. member will see it in *Hansard*.

Mr. Gillis: He has already made the statement, and he can read it tomorrow or correct it tonight, if he wants to.

Mr. McCusker: I am not in the habit of doing that.

[Mr. Gillis.]

The Deputy Chairman: The hon. member should not interrupt the member who has the floor—

Mr. Gillis: He wanted to know—

The Deputy Chairman: —unless he asks permission or raises a question of privilege. The hon. member raised a question which was not one of privilege. He replied to a statement made by the hon. member for Cape Breton South. According to Beauchesne, third edition, citation 235, an explanation can be given only with the consent of the hon. member who has the floor. If the hon. member who has the floor does not give permission the explanation can be made after the termination of his speech.

Mr. McCusker: Mr. Chairman, on a question of privilege, I was quoted as having said that the reason for the deficits on the Canadian National was an increase in wages. I made no such statement.

The Deputy Chairman: Citation 235 of Beauchesne, third edition, reads:

> A member who, during a debate has spoken to a question may again be heard to offer explanation of some material part of his speech which has been misunderstood; but he must not introduce new matter or endeavour to strengthen by new arguments, his former position which he alleges to have been misunderstood, or to reply to other members. Here, again, a greater latitude is permitted in cases of personal explanation, where a member's character or conduct has been impugned in debate. The proper time for explanation is at the conclusion of the speech which calls for it. See also Beauchesne, third edition, citation 236.

Mr. Gillis: Thank you, Mr. Chairman. I hope the hon. member understands that. I listened with a lot of patience to him while he made the statement, and did not interrupt him.

Of course, the propaganda that wage rates are responsible for all difficulties and deficits in every industry is not something new. I have heard it for the last thirty years, and it has been very prominent recently in the press. Editorial after editorial, chambers of commerce and so forth have been driving it home to the public. I am not surprised that my hon. friend fell for it. That is not the case, however. I think it is nearly time everyone understood that. I am thinking in terms of the Canadian National Railways, because I am particularly interested in them—and I suggest every member in the committee should be.

In the final analysis this whole question is not the responsibility of the board of transport commissioners or of any royal commission. The final responsibility rests with this House of Commons—and I say we should understand that. I would like to look at both

sides of this question. The railways render a public service and must be maintained, and in order to operate they must have money. The only place they can get money is from those who patronize the system. Let me say this, for the benefit of anyone who has not been looking into the operations of the C.N.R. particularly, that it has not been wages that have pulled them down, nor has it been ordinary operating costs which have brought about deficits.

Every year the Canadian National starts out with a deficit of $45 million in interest charges on loans from the government in respect of the bonds of old, defunct railroads that should have been called in and liquidated years ago. That $45 million about which we hear so much in the press and in the House of Commons should be understood. It does not accrue because of operating inefficiency or because of the wage debt but rather from fixed interest charges on dead services. The capital should be written off as interest-bearing capital and show in the books as equity capital, or it should be called in and written off altogether. I hope when hon. members are considering that feature of the system they will keep this debt load in mind.

Later on I shall deal with freight rates as such. However, let me speak briefly now on the question as to whether the board of transport commissioners is a competent body. As a result of the debates I have heard in the house respecting freight rates since 1945, setting out how the whole question has been handled, I would say there is something lacking in the personnel of that body.

A return in the name of the hon. member for Victoria-Carleton (Mr. Hatfield) to which reference was made this morning by the hon. member for Rosetown-Biggar (Mr. Coldwell), gives the names of the members of the board, and their previous occupations. I have not anything against anyone on the board, or any particular occupation; but I say that a body selected to handle the very difficult problem of fixing freight rates in Canada and of doing all the work the board has to do should consist of personnel highly trained for that position.

I shall not put any names on record. Hon. members may look at the document to which I have referred and they will find among the occupations listed there many lawyers, an undertaker, a real estate agent, car dealers and stenographers. Those particular callings do not give the qualifications, in my opinion, to handle a job of that kind.

Then, according to the return, the freight rate experts are all ex-employees of either the C.N.R. or the C.P.R. I do not know whether they are still working for those organizations. I think however it is the responsibility of the minister not to appoint a royal commission; if the board of transport commissioners are competent there should not have been a royal commission. If the personnel of the board had been selected carefully with full regard for their qualifications, and appointed on their merits, there should have been no necessity to hire a royal commission—because the board is a royal commission, sitting continuously and reporting through the minister to the government.

Why should we at this late date, when we have got into this tangle about freight rates, have to go out and hire another body to examine into the organization that is supposed to be efficient and competent and equipped to deal with this matter from day to day? It does not make sense. No; there should not be a royal commission; but I think the minister's department should make a job valuation survey of the board of transport commissioners, and take a look at the qualifications of the personnel. There are not too many of them; probably there are not enough. I believe there should be an examination of the qualifications of everyone on the board who has anything to do with the problems they have to handle. I believe there is ample justification for the accusation that they are not competent—at least they have not shown, to date, that they are.

Then, secondly, is there justification for the rates asked for? Taking a look at both sides of the question, and as one of the members who served on the committee on government-owned railways and shipping, and as one who had a chance to take a look at the balance sheet and to examine witnesses, from Mr. Gordon down, let me say that in my opinion, so far as the management of the Canadian National Railways is concerned—I do not know anything about the C.P.R., so I am not going to talk about it—they are as efficient as could be found in this country. I believe that in Mr. Gordon they have a man who is very competent and very determined to do something about the disabilities of the system over which he presides. He has shown a clear grasp of the problem, and I think we have no quarrel so far as the management of the Canadian National Railways is concerned.

If we examine the justification for the freight rates, from the standpoint of the present financial position, they are justified. But, as I intimated earlier, the C.N.R. is in a false position; and unless we are able to correct that position by bringing about some adjustment in the capital structure of the national railways, we are going to continue to go on and on in this way—there will be no end to it.

My opinion is that in respect of these freight rates for the C.N.R. and C.P.R., and their relationship to the whole economic set-up of the country, as well as to other industrial aspects of the problem, we are entering upon a new economic age. This country has reached the point where the old yardstick by which we measured things is no longer good enough. We have to do a lot of serious thinking and make a good many serious revisions in the whole economic structure of Canada, of which this is only one part.

The western part of this country has ample justification for complaining about the inequality of freight rates and the discrimination resulting therefrom. The maritimes also have ample justification for the same complaints. The 21 per cent increase in freight rates that was to be applied straight across the board was, to the best of my knowledge, never applied in Ontario—and if it was applied in Quebec, only to a limited extent. But it applied 100 per cent both east and west, The centre has direct competition, and their hauls are short, but in other parts of the country both east and west that is not so. On everything going either to the east or to the west, from the centre, higher rates were applied; on everything going out the same rates applied. Perhaps 80 per cent of the freight goes into those provinces and adds to consumer costs. Very little is shipped out of the maritimes except raw materials. It hits those who are shipping out, but the ultimate cost is passed on to the consumer. I submit that there is ample justification for the complaint that has been made.

No recommended solution has been offered so far by hon. members who have spoken, and I am going to make a few recommendations which are based upon the thinking of the people of the maritimes. There are one or two things I should like to clear up. Many people in central Canada consider that the maritimes are receiving a rebate or subsidy under the Maritime Freight Rates Act. I notice that some of the people appearing before the royal commission referred to that as a subsidy. I should like to put the record straight on that particular point.

The 20 per cent that is allowed under the Maritime Freight Rates Act is not a subsidy. In 1912 there was a general increase in freight rates of 55 per cent, but when that was applied to the maritimes it amounted to 92 per cent. We suffered under that injustice until the early twenties when the Duncan royal commission on maritime rights recommended that a 20 per cent rebate should be paid under the Maritime Freight Rates Act. We are still 17 per cent worse off than the rest of the country on a percentage basis. An injustice was perpetuated under the terms of confederation and they still owe us 17 per cent on freight rates. I do not want to hear anyone calling it a subsidy because it is simply part payment of something that is owing to us and for which we are still pressing.

Unless recommendations are made there is not much to fasten to, and I should like to refer to some that have been made in the maritimes. They may not be all right, but also they may not be all wrong. I think the committee may be able to get something from them. These recommendations were put forward by the New Brunswick government and by the maritime transportation commission. By the way, that body has a very good grasp of the whole transportation problem across this country, including freight rates. The recommendations that were made were as follows:

1. Lessen the impact of percentage-type freight rate increases—the kind awarded the railways since the war—on the long haul traffic typical of the maritimes.

2. Restore rate relationships existing between Canadian ocean ports before the last series of increases.

3. Preserve advantages guaranteed under the Maritime Freight Rates Act of 1927, which it is claimed have been partly nullified by transportation changes since then.

4. Extend the application of the act to make its statutory rate reductions effective on rail-and-water shipments from points in the maritimes to those outside the area.

In addition New Brunswick went a step further and asked for a 50 per cent increase in the rates under the Maritime Freight Rates Act and a wider coverage as to traffic to which it would be applicable. That statute now provides for a 20 per cent rebate on rail traffic within the maritimes and on the maritimes part of westbound traffic originating in those provinces. New Brunswick asks that the rebate be increased by 30 per cent and that it apply on the maritimes section of eastbound traffic into the maritimes from points outside.

Mr. Macdonnell (Greenwood): Were those recommendations made to the royal commission?

Mr. Gillis: Yes. There was some disagreement as to the last point on the ground that it might interfere with fair competition. I do not think that argument is valid because we do not manufacture anything in the maritimes that would be in competition with anything manufactured in Ontario or Quebec. As I said before, most of our exports are raw materials and our young people. Despite the fact that certain sections of the press disagreed with that recommendation, I believe it should receive consideration.

Prince Edward Island went a bit further and advocated the nationalization of the whole Canadian transportation system. I am not going to comment on that; I shall give Premier Jones an opportunity to explain what he means some time in the future. I believe that a solution is to be found in the submission by the president of the Canadian National Railways to the royal commission on transportation. Mr. Gordon summed it up very well when he asked that there be a revamping of the capital structure of the system, a writing-off of the $45 million of fixed interest charges which the system is now carrying. I believe that if that were done, with the present management the system could be made efficient and in the future could be taken as the yardstick to be used. Unless that is done I do not know how the system can struggle along.

Last year the press was full of stories about the deficit of $42 million which the Canadian National Railways had incurred, but then elsewhere you would read that they had an operating profit of some $4 million. It is hard to understand these different editorials, one saying they had a profit of $4 million and the next one saying they had a deficit of $42 million. The people just do not understand that sort of thing.

I sat in this house as a member for a long time and voted for bills to wipe out deficits year after year. For a long time I thought that those were accumulated deficits from the previous year's operations, but then I began to dig through the books and finally found out the size of the load the system was carrying. I think it is rather unreasonable and unrealistic for the government to lend money to the Canadian National Railways and then have the system pay an interest charge of around $21 million a year. We pass a bill for $45 million, it goes to the C.N.R. and they pay back $21 million to the government. The principal is still there and goes on and on.

Old railroads representing $24 million in fixed interest charges were taken over. Under ordinary circumstances those roads would have gone into bankruptcy, but they were loaded on the Canadian National system. The bonds were transferred and the Canadian National carries all that deadwood, representing lines that produced practically no revenue, on which they pay a fixed interest charge of $24 million a year. It just does not make sense.

I do not think the proponents of free enterprise would expect that any free enterprise carrying on in that way can make money. I presume most hon. members are familiar with Mr. Gordon's submission to the royal commission on transportation. What it boils down to is that he simply asks them to do what I am suggesting. He asks the commission to take into consideration the possibility of taking the bonds and government loans and, instead of showing them on the balance sheet as interest-bearing bonds and loans, show them as equity capital bearing no interest, or that on the other hand the government should take a look at the whole thing, try to write it off and start the system off again with a clean sheet. Unless that is done, in my opinion freight rates will continue to go up. There is no way out of it unless we revamp the Canadian National system.

I think if we did so it would create stiff competition for the Canadian Pacific Railway, which would be a good thing for the country. It is my opinion that in the past a lot of the business that should have gone to the Canadian National has been deliberately swung in the other direction. I have noticed a proposal that freight from the maritimes should be shipped through Moncton to Saint John to the Canadian Pacific line, from there through the United States to Montreal, and that the provisions of the Maritime Freight Rates Act be applied. That cannot be done. The Maritime Freight Rates Act is not applicable unless it is a through haul. In addition it would just mean swinging more business from the C.N.R. to the C.P.R.

I do not want to be dogmatic about the question because my knowledge of it is not too great. I want to see the right thing done. I am absolutely sure in my own mind that, unless the C.N.R. can be relieved of the great debt it has been carrying since its inception, by revamping the whole capital structure, so far as the Canadian freight rate question is concerned we are going to go through the same thing year after year. As the hon. member for Rosetown-Biggar pointed out this morning, the future development of Canada depends on the railroad system. Unless it is efficiently maintained and properly routed throughout the country it is not possible to develop either the north or the south, the east or the west. We must have a good efficient transportation system.

I think we have an efficient transportation system. I do not think there is any better in the world. I know that since the war there has been a great improvement in rolling stock, and efforts are being made to repair lines. I know that in the maritimes, where it is badly needed, some work is being done. The Minister of Transport is pushing very strongly for the bridge across the strait of Canso. That is a part of the Canadian National system and will be of great importance to that section of the country. I had

the privilege of attending the meetings of the sessional committee on the operations of the Canadian National Railways for four or five weeks and investigating their business. I believe the management is doing everything it can to bring about more economic operation and better service for the Canadian people. It is our job to help them. I was glad to see that the committee, after going over the whole structure of the C.N.R., inserted in its report to the house a recommendation that the government should seriously consider, along the lines suggested by Mr. Gordon, the complete revision of the whole capital structure.

I come to the amendment of the leader of the opposition. My view is that if it is passed it means the end of the board of transport commissioners. If you cut their money completely they cannot work. Nobody works for nothing. At the same time I believe a protest to the board of transport commissioners is in order as to the way in which they handled the whole freight rate question. When the hon. member for Rosetown-Biggar was speaking this morning he stated that he did not think we could move an amendment to the amendment. Our technical expert on Beauchesne was absent at the time. The hon. member for Kootenay West substituted for him. He is much slower but he finally found a citation in the second edition of Beauchesne that would justify us in moving an amendment to the amendment, and I propose to do so at this time. I move, seconded by the hon. member for Rosetown-Biggar:

That the amendment be amended by striking out the word "to" and substituting therefor the word "by."

The amended amendment would then read:

That item 524 of the estimates of the Department of Transport be reduced by one dollar.

I notice that my ecclesiastical friend over here thinks I am wrong in saying "by". The leader of the opposition said "to one dollar". That would mean we would be wiping out all the money which would enable the board of transport commissioners to carry on its operation. The amendment to the amendment says, "by one dollar". That will not hurt them very much but at the same time it is a protest against the way in which the whole freight rate question was handled.

Mr. Fulton: A mild protest.

Mr. Gillis: Many hon. members will say that they cannot vote to wipe out the board of transport commissioners but anyone who is interested in protesting can vote for the amendment to the amendment because it merely means that they will be voting in protest against the way the whole freight rate question was handled.

Mr. Ross (Souris): Make it $1.50.

Mr. Gillis: I merely want to re-emphasize that, in my opinion, if members of the house want to do something about freight rates and prevent this kind of discussion in the future the only way they can do so is to get behind Mr. Donald Gordon's program for the complete revision of the capital structure of the Canadian National Railways.

Mr. McCusker: I want to say a word by way of explanation. I think the hon. member for Cape Breton South misunderstood what I said this morning. I made no protest about increased wages. I merely expressed surprise that the hon. member for Rosetown-Biggar, in supporting the amendment of the leader of the opposition, should be so inconsistent as to protest that freight rate increases are too great and should not be granted. By so doing he was objecting to wage increases. In effect that is what he did. I know we all agree that the disparity in rates should not be allowed to exist. I quoted from an editorial in the Winnipeg *Free Press* to show what was being claimed. The editorial reads:

The extent to which the Canadian people paid for the past wage increases, in the form of higher freight rates, can easily be shown. During the war, price ceilings prevented the railways from raising rates to counterbalance the increased costs, mainly in wages, of wartime. But with the lifting of the ceilings the railways launched their campaign. In October, 1946, they applied for an increase in freight rates of 30 per cent.

This is what will interest the hon. member for Cape Breton South.

After a battle that lasted for eighteen months, the board of transport commissioners awarded them an increase of 21 per cent, costing the public about $70 million a year. But all this was immediately sucked away by the wage increase of 1948 which cost $73 million a year.

I referred to no railroad.

Mr. Ross (Souris): May I ask what you are reading from?

Mr. McCusker: It is from page 3 of a reprint of editorials in the Winnipeg *Free Press* in April and May, 1950. The reprint is entitled, "The Railway Wage Dispute". I then asked, "Is he opposed to giving the brotherhood of railway workers an increase in wages?" That was my statement this morning; and I thank you, Mr. Chairman, for giving me an opportunity to correct the hon. member.

Mr. Coldwell: May I also have a moment to make my position clear. My whole speech

this morning was directed against discrimination in freight rates. As far as wages are concerned, in the course of my remarks I pointed out that many thousands of low paid railway workers were suffering from the high cost of living, and I went on to say that if the railways could not operate economically we should integrate our transportation system and if necessary subsidize the railways. I was not changing my position in any respect, as my hon. friend suggests.

Mr. Johnston: Mr. Chairman, I should like to express a few thoughts on this subject before this discussion concludes. I was disappointed indeed in the remarks of the Minister of Transport this afternoon. He gave a fairly good résumé of the applications of the railways for increased rates, but certainly he did not indicate any solution whatever for the problem facing this country, except to agree with the tremendous increase of some 45 per cent that has been granted. In effect he also agreed with the increased discrimination which has been created against the maritimes and the prairie provinces. He agrees with the continuation of this discrimination, which is making it very difficult for people in those areas to maintain themselves. The unfair differential in freight rates has placed the western provinces in a very serious position. Therefore I must agree entirely with the amendment moved by the leader of the opposition.

I am not quite so sure as the hon. member for Cape Breton South that the board of transport commissioners is so efficient; therefore I am not so enthusiastic about supporting his subamendment. I must say I have not very much confidence in a board which, having been in existence for so long and having investigated this problem so thoroughly, has permitted this great discrimination to continue for all these years. Particularly does my confidence in the board fail in the face of these tremendous increases in freight rates, which have been permitted in spite of the fact that the western provinces protested so vigorously.

I want to deal with this subject from a little different angle than those who have spoken previously. In my view the railways, as disclosed in their submissions to the royal commission—and I am referring now to the presentation made by the C.P.R.—were not so much interested in solving the difficulties presented by these tremendous increases and this discrimination as in showing that the trucking industry, their only effective competitor in western Canada at least, should be driven out of the field, though by their own actions the railways are pricing themselves out of competition. The fact is that they are now attempting to do away with competition and establish a monopoly in the field of transportation, and that is the phase with which I want to deal more particularly this afternoon.

I do not believe anyone would contend for a moment that the railways are not a national asset, or that they should not be kept in a sound position. As has been indicated many times this afternoon, the railways are intended to serve all Canada, and if they are to carry out that function they must be maintained in a strong position. That does not mean, however, that the railways should be maintained in a favoured position or that they should be permitted to drive out their only competitors and have the field to themselves. As I pointed out on another occasion in this house the people in central Canada have more or less effective competition in the form of water transportation. Even those living in British Columbia obtain the benefits of water competition. Rail rates are rising so rapidly that General Motors are using the only effective competition against the railways and are sending their automobiles by trailer trucks to Montreal, then by boat through the Panama canal to British Columbia, thereby saving more than $80 per automobile. That is effective competition, and as a result British Columbia is in a position to get a more favourable rate structure than those in the prairie provinces or the maritimes.

The only effective competition we have in western Canada is provided by trucks; and in their presentations to the royal commission the railways did everything they could to get rid of that competition. As a matter of fact the greater part of their presentations was directed to that point. One must not take the position that the railways are a private enterprise, for such is not the case. My remarks apply particularly to the C.P.R., and I would point out that the greater part of the presentation to the royal commission was made by that company. They were the puppets who were carrying the ball for the Canadian National and the government, so it was up to them to make the presentation, which they did somewhat reluctantly. These railways have not built themselves up to their present position solely by their own efforts. I think hon. members of this house should be reminded of that. A great deal of assistance has been given to the Canadian Pacific and the Canadian National as well.

In 1873 there was a grant of 50 million acres of land to the Canadian Pacific. The

oil and mineral rights went along with that grant, and will become extremely profitable before very long. On top of that land grant, as the member for Rosetown-Biggar pointed out this afternoon, there were tremendous cash grants given to both the Canadian Pacific and the Canadian National. These railways have been built up to their present status by these large grants of land and cash. In addition to that, the railways have received a large amount in subsidies. I should like to refer to subsidies for a moment. I am not against the principle of subsidizing the railways where necessary. I am just using this as an illustration to show that the railways have been subsidized to a great extent. There is a subsidy on one commodity which they use, and that is coal.

I have in my hand, Mr. Chairman, a report from the Canadian coal board. It gives a breakdown of the subsidies on coal received by the Canadian Pacific. With the permission of the house I should like to put this memorandum on *Hansard*, but before I do so I want to refer to it. These are the subvention payments made to the Canadian Pacific railway. In the calendar year 1939, there was no breakdown on coal for the railway's use, nor was there a breakdown on coal for domestic and industrial use. The total amount paid that year was $954,765.35. In the year 1940 there was no breakdown under those headings I have mentioned, and the total amount paid was $1,005,386.51. In 1941 there was no breakdown, but the total was $1,505,576.03. In 1942 there was no breakdown, but the total was $1,051,168.01. For 1943 there was no breakdown, but the total was $125,018.93. In 1944 there was a breakdown, and the subsidy paid to the Canadian Pacific on coal for their own use was $15,238.21; for domestic and industrial use it was $62,905.49, making a total of $78,143.70. In 1945, on coal for the railway's use the subsidy amounted to $97,997.83; on coal for domestic and industrial use it was $570,709.81, making a total for the year of $668,707.64. In 1946, on coal for railway use it was $156,752.55; on coal for domestic and industrial use, $577,736.08, making a total of $734,488.63. In 1947, on coal for railway use, it was $13,819.72; on coal for domestic and industrial use, $188,353.32, making a total of $202,173.04. In 1948, on coal for railway use it was $29,611.16; on coal for domestic and industrial use, it was $187,901.39, making a total of $219.512.55. This gives a total subsidy on coal for railway use at the end of 1948 of $313,619.47; on coal for domestic and industrial use, $1,487,606.09, making a total of $6,443,140.39.

This may seem to be a tremendous amount, but I am going to give the figures for 1949 to show how these subsidies to the Canadian Pacific have increased. The railway has been receiving a subsidy on coal for its own use, thus lowering its cost of operation. I do not know of any other industry to which a subsidy is granted to lower its cost of operation. May I say that these 1949 figures are subject to adjustment, because the board tells me the final figure is not available as yet, but this is as close to being accurate as they can get at the moment. The subsidy on coal for the railway's own use in this last year amounted to $231,642.56; on coal for domestic and industrial use, $233,975.09, making a total of $465,617.65. It will be noticed that the subsidy paid to the Canadian Pacific for hauling coal for domestic and industrial use was just about the same amount that was paid to the Canadian Pacific for hauling coal for its own use.

Mr. Chairman, before I start another branch of my argument, may I call it six o'clock?

At six o'clock the Speaker resumed the chair and the house took recess.

[Mr. Johnston.]

AFTER RECESS

The house resumed at eight o'clock.

PRIVATE BILLS

SECOND READINGS—SENATE BILLS

Mr. Matthew MacLean (for Mr. Winkler) moved that the following bills be read the second time:

Bill No. 253, for the relief of Margaret Mary Hamel Whittaker.—Mr. Winkler.

Bill No. 254, for the relief of Lewis Benjamin Wyman.—Mr. Winkler.

Bill No. 255, for the relief of Edna Dora Tucker Conley.—Mr. Winkler.

Bill No. 256, for the relief of Dorothy Marguerite Lester McBride.—Mr. Winkler.

Bill No. 257, for the relief of Josephine Rood Trottier.—Mr. Winkler.

Bill No. 258, for the relief of Margaret Irene Sinden Brown.—Mr. Winkler.

Bill No. 259, for the relief of Camille Poulin.—Mr. Winkler.

Bill No. 260, for the relief of Elisa Macdonald Mitchell Brock.—Mr. Winkler.

Bill No. 261, for the relief of Theodore Levasseur.—Mr. Winkler.

Bill No. 262, for the relief of Mary Marguerite Harvie Fine.—Mr. Winkler.

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

Mr. Gagnon: On division.

Mr. Speaker: Carried on division.

Motion agreed to on division and bills read the second time.

CANADA DAY ACT

SUBSTITUTION OF WORD "CANADA" FOR WORD "DOMINION"

The house resumed, from Tuesday, April 25, consideration of the motion of Mr. Cote (Matapedia-Matane) for the second reading of Bill No. 4, respecting Canada day.

Mr. W. F. Carroll (Inverness-Richmond): Mr. Speaker, I desire to say a few words on this bill. As I understand it, the intention of the bill is to change the name of our national day from "Dominion day" to "Canada day". I have heard no real reason given for this change; neither have I heard any definite reason against the idea that would appeal to me. I would prefer to wait until the public mind in the country is more in unison on this particular matter. That is, I would not like to see the name of our national birthday changed without there being unison or practical unanimity in the whole matter.

A year or two ago a similar bill passed this house, but it was killed in the other place. I did not have anything to do with parliament at that time, but I did follow the discussion that took place. The bill met with a considerable amount of opposition in this house, and with almost unanimous opposition in the other place, which is a clear indication to me that public opinion on the question is not close enough to unanimity to justify our passing it at this time, unless there has been a tremendous change in the feeling of the people of the country in the meantime.

So far as I am personally concerned, Mr. Speaker, I would be in favour of the bill if I felt that the people of Canada desired the change. I do not mean a hundred per cent, but if eighty or eighty-five per cent of the people desired this change I would certainly vote for a bill of this kind.

The words "Dominion of Canada", of course, have no legal significance either in the British North America Act or in any other act of this country. In dealing with the matter the British North America Act of 1867 put it this way:

> It shall be lawful for the Queen, by and with the advice of Her Majesty's Most Honourable Privy Council, to declare by proclamation that, on and after a day therein appointed, not being more than six months after the passing of this act, the provinces of Canada, Nova Scotia, and New Brunswick shall form and be one dominion under the name of Canada; and on and after that day those three provinces shall form and be one dominion under that name accordingly.

Section 5 reads:

> Canada shall be divided into four provinces, named Ontario, Quebec, Nova Scotia and New Brunswick.

There is the creation of Canada, not the Dominion of Canada. That was forcibly brought to my attention for the first time, though I never took any particular interest in the matter, on learning that when Sir Robert Borden—and no more staunch Britisher and no greater Canadian ever occupied the proud position of prime minister of this country than the same Sir Robert Borden—came to sign the treaty of Versailles, which was perhaps the first act of a wholly Canadian plenipotentiary, he did not sign it for the Dominion of Canada but for Canada. That was the first time it ever came to my attention that there was no such name by statute or otherwise as the Dominion of Canada.

I could go on and give various other examples of the same thing. However, by statute there is a Dominion day. It was in 1879, I think, that an act of parliament was passed which first introduced Dominion day, and this is the preamble and part of the act:

> Whereas it was on the first day of July that the provinces of Canada, Nova Scotia and New Brunswick became one dominion under the name of Canada; and
>
> Whereas Rupert's land and the northwestern territory and the province of British Columbia became part of the dominion in the month of July, and Prince Edward Island became part of the dominion on the first day of July; and
>
> Whereas it is expedient that such important events should be commemorated:
>
> Therefore Her Majesty, by and with the advice and consent of the Senate and the House of Commons of Canada, enacts as follows.

Then they created our national holiday, Dominion day. It will be noted that it makes reference there to the Senate and the House of Commons of Canada, not to the Dominion of Canada. As a matter of fact between 1867 and 1879 July 1 had always been commemorated as our national birthday. That was brought to the attention of the house at the time the act was passed, in 1879, by the Hon. David Mills, who said that Dominion day was, he believed, universally kept as a holiday; at least it was in western Canada; but it was not kept under the authority of any act of parliament.

I am not one who thinks that the changing of Dominion day to Canada day would make us any less British or any more Canadian. I do not think it would create any breach in the historic links that join us with the great mother country. I do not think that it would in any way make a breach in the long history of this country, since 1867; nor would it in my humble opinion impress any one

man in this broad dominion with the idea that because this change had taken place we had become less British and more Canadian. I say that because I do not think that we in Canada today can become much more Canadian than we have been for the last thirty, forty or fifty years.

My reason for wishing to see a change in the birthday of Canada is that, notwithstanding the provisions of the British North America Act, I do not think that we are any longer a dominion. We belong to a great commonwealth of nations, and with the same sovereignty I hope—sometimes I doubt it, of course—that the United Kingdom has.

I should think that Confederation day would be a far more appropriate name than would Canada day, and it would also take away any sting from the minds of those who are imbued with the idea that, because we want to call this day Canada day, we are going to be separated from the great mother country.

In this matter there cannot be said to be any flying in the face of tradition. How can we fly in the face of tradition by changing this day? Personally I cannot see how we could. Tradition is something based on a long series of historic events, brought down to us, perhaps not by the written word, but by various acts of omission, and more often acts of commission. These are incorporated into our country, not by the written word but by other means.

There is nothing in the traditions of this country that would be violated by changing the name from Dominion day to Canada day. There is nothing in this change which in any way would tend to separate us further from the great British traditions which we have held in the past and which I hope we shall always hold.

Having in mind that this question might be discussed, during the recess I visited various high schools in the city of Halifax and in my own constituency. On those occasions I discussed with the teachers and pupils in the higher grades this idea of Dominion versus Canada, or Canada versus Dominion. These were intelligent children in the tenth and eleventh grades which, in the old days, was looked upon as a higher educational grading. They knew their history well, although they did not know Canadian history, I am sorry to say, as well as they knew that of foreign countries. When I say that, I mean they did not have a background of the traditional history of this country to the point one might have liked to see. However, I never suggested to these boys and girls why I was discussing the matter with them.

While speaking to them I asked whether they did not feel it would be better to describe our national birthday as Canada day rather than Dominion day. The general answer seemed to be along this line, "Well, we know what Dominion day is and, in our short lives, we have always celebrated it on July 1. We cannot see why we should now change and call it Canada day." That was the reaction indicated in about three of the schools I visited.

In two other schools, teaching pre-university eleventh and twelfth grades, I found two or three exceptionally bright and intelligent boys who, perhaps, were under a false impression as to the meaning of Empire day. It was their view that if there were going to be any change in the designation of July 1 it should be known as Empire day. I pointed out to them at once that we already had an Empire day. Their reply was that they knew that, but they felt this description of our national birthday would have the effect of cementing the links already existing between Canada and Great Britain.

I may be told that I did not choose a satisfactory source for advice on a matter of this kind. My reply would be that from many of those children I got a good deal of better advice—much of which I am not giving to the house this evening—than I could have given if I had been asked questions on the same subject.

Having regard to what took place in the House of Commons two years ago, and also having regard to the opposition I understand this measure will meet on this occasion, my impression would be that perhaps we are somewhat premature in attempting to pass the bill. Because, when it comes to a matter of this kind, while it may not have any direct bearing on our relationship with the mother country, there are some aspects of the matter that might be considered in that light. In my view any change we make, whether along patriotic lines or otherwise, in the relations between Canada and the United Kingdom should have behind it a greater approximation to unanimity among members of the House of Commons, and throughout the country. I am in hopes that some time in the future a bill similar to this will meet with the unanimous approval of this house.

I think it was the hon. member for Matapedia-Matane (Mr. Cote) who brought this matter to the attention of the house before. At that time he did get the approval of the house. Perhaps I will be pardoned for referring to the debates that took place at that time, but on looking them over it struck me there was a lot of confusion among members who were in the house at that time. I hope I am not insulting anybody when I say that. They seemed to

be at cross purposes. One member would vote for the bill, and you would turn another page and find him voting against it. It seemed to me there was some political prejudice on the part of hon. members, perhaps on both sides of the house, but that would not be the fault of the hon. member for Matapedia-Matane.

That is the stand I take on this bill. If it comes to a vote the probabilities are that I will vote for the bill because I see no reason for voting against it. At the same time I think the bill is premature. The people of this country are not just in a state of mind at the present time to adopt legislation such as this and for that reason I hope the hon. member will withdraw his bill.

Mr. Humphrey Mitchell (Minister of Labour): Mr. Speaker, I am going to vote against this bill. I shall not delay the house very long to say what I want to say. Perhaps I can say to the hon. member who has just spoken and to my hon. friend who with the best intentions in the world has moved this motion that there is no more united nation on earth than the Dominion of Canada.

Mr. Carroll: I never suggested anything else.

Mr. Mitchell: I was not referring to my hon. friend; I was referring to the mover of the motion. I am British in the broadest sense of the word since my grandfather was a Frenchman on my mother's side, and on my father's side Irish. If you want anything better than that, take a look around you. I have travelled throughout the British commonwealth of nations and I have listened to crackpots who talk about empires. I have watched what the British people have done, and I speak again in the broadest sense of the word.

Our people have given the world a system of fairness and decency possessed by no other country since the dawn of history. The other day we listened to the Prime Minister of Pakistan pay a tribute to the family of nations. I think I am one of the few hon. members who have been to Pakistan and I know that tribute was well deserved. We have unity among all the racial groups that go to make up this great dominion. Recently I was in the state of Virginia and I noticed that they still call it the dominion of Virginia and they have a dominion network of radio stations. In Massachusetts where they tossed the tea into the harbour, where they said they would not have taxation without representation, they still call it the commonwealth of Massachusetts.

Mr. Cote (Matapedia-Matane): They had a tea party there.

Mr. Mitchell: That may sound strange to your ears, but they had a tea party. There has been a lot of loose talk about the crown, but I have found that the older you get the more sense you have. Of course some grown-up people still believe in fairies and Christmas trees like the hon. member for Winnipeg North Centre (Mr. Knowles) who quoted Brock Chisholm the other day. I liked fairies and Christmas trees when I was a youngster and my children liked them and looked forward to Christmas. I think the world would be better off without the Brock Chisholms.

Some hon. Members: Hear, hear.

Mr. Mitchell: Looking over the world today you find that wherever there is a limited monarchy such as in Sweden, Norway, Holland, Belgium, Denmark and Great Britain you find a regeneration after the devastation of the last war which is unexcelled by most countries. It is one of those things that cannot be explained, but perhaps it is due to the leadership that is given, to the principles of decency that are practised. The crown today in its very essence represents decency in the life of the nation.

I think we are most fortunate in the British commonwealth in having a King and Queen who reflect the best there is in British life. I have often said that the province of my hon. friend may be the sheet anchor of freedom some day in the future.

Mr. Cote (Matapedia-Matane): It is not a question of talk.

Mr. Mitchell: It is a question of common sense.

An hon. Member: He has none.

Mr. Mitchell: It is a question of vision, of taking the long view rather than the short view just for political reasons. As I say, that province may some day be the sheet anchor of freedom if things continue to travel the way they may well travel in this very difficult period in which we are living. I simply wanted to pay a tribute to our institutions, to our federal form of government, to our judiciary, to our school system, to our transportation system, to all the great things that this nation has built up in the last four or five hundred years. I say that without any mental reservation whatsoever.

I like the word "dominion". I hope I shall never live to see the day when we do not belong to the great family of nations known as the British commonwealth of nations. Every hon. member knows that during the zenith of its power there was very little trouble in the world. I think the world will be a better place in which to live if we still maintain and insist in this struggle

between two ideologies that the dominions retain their contact with the crown. I am not going into a theoretical exposition of that matter, although I could. I hope the house will vote the motion down. If I am the only member to vote against it I am going to vote against it.

Mr. Harkness: You will have plenty of support.

Mr. Stanley Knowles (Winnipeg North Centre): Like the Minister of Labour (Mr. Mitchell) I intend to be very brief. When this bill was before the house a few years ago I voted for it, and I still like the idea. But it is apparent that the chances of such a bill being dealt with and voted on in the limited time allotted to public bills are very slim. It is also apparent that if the bill were to come to a vote tonight it would in all likelihood be defeated, after the speech just made by the Minister of Labour. It seems to me that there is something to be said for the position that we should not make important changes like this in the one hour allotted to private and public bills, or even in two hours as might be the case considering that this measure was up once before.

On the other hand I always feel uneasy when the result of that argument is that a worthy idea is talked out or defeated altogether. I think the best thing that could be done for this bill and the idea that it contains would be to refer the subject matter to a committee of the house so that it might be discussed further. It is for that purpose that I propose to move the appropriate amendment. Before I do so, may I say that I fully realize the amendment I shall be moving has the effect of suspending any further consideration of the bill itself at this session. Nevertheless it will permit discussion of the subject matter of the bill by the committee to which the subject matter is referred. I can say to the hon. member who is the sponsor of the bill that I was greatly annoyed in 1947 when a bill of mine was treated in this manner, but I must say that in 1948 the subject matter of the bill which was treated that way in 1947 was incorporated in one of the statutes of Canada, namely the federal labour code. Annoying though these procedures may seem at times to the sponsor of a bill, it is not all bad. It can produce discussion and possibly some progress. With that explanation I move, seconded by the hon. member for Kootenay West (Mr. Herridge):

That Bill No. 4 be not now read a second time but that the subject matter thereof be referred to the standing committee on miscellaneous private bills.

[Mr. Mitchell.]

Mr. Ralph Maybank (Winnipeg South Centre): Mr. Speaker, I rise only to ask you for instruction and assistance. I was on the point of saying what I am about to say before the hon. member for Winnipeg North Centre (Mr. Knowles) moved the amendment. Point No. 1 is that I do not wish to leave my seat and go into the lobby when the vote comes. Point No. 2 is that I have not any opinion that I consider it worth while to register by voting one way or the other upon either the amendment or the bill itself. I do not really care very much whether we are called "Canada" or "Dominion of Canada". The word "dominion" joined with Canada does not indicate to me dominion over us or domination of us by some power outside of this country. It is my recollection that the name came to be given to us by reason of one of the fathers of confederation recalling a biblical phrase with reference to God having dominion from sea to sea. That is how the term came into common use. As long as there is great loyalty and complete unity of the people, as long as we are working to make this country more widely known as the great country it is, I do not care whether we call it "Dominion of Canada" or "Canada". I do not wish to leave my seat and go out into the lobby when the vote comes. Would you be good enough to instruct me as to what I should do, Mr. Speaker, inasmuch as I do not think my opinion is worth registering one way or the other?

Mr. A. Phileas Cote (Matapedia-Matane): Mr. Speaker I should like to refer to what was said by the hon. member for Winnipeg South Centre (Mr. Maybank). I want to point out to him that he has made a slight mistake. The first of July is not Dominion of Canada day; it is Dominion day. Which dominion is it? What dominion is it that celebrates the first of July? It is not Dominion of Canada day; it is Dominion day. For many years we have been a dominion in the British empire, and now it is called the commonwealth of nations. I suggest to a lawyer of the calibre of my hon. friend that there is a slight difference between dominion and Dominion of Canada so far as definition is concerned.

Mr. Maybank: One is shorter than the other.

Mr. Cote (Matapedia-Matane): Yes, and more simple, just as my hon. friend is. I will not quarrel with the hon. member for Inverness-Richmond (Mr. Carroll), a former judge in Nova Scotia. He is a learned judge and he has told the house what it is all about. Days ago we had a discussion about this

measure and it was talked out. We had a few arguments about it also. I will not even quarrel with the hon. member for Welland (Mr. Mitchell). I know his sentimental nature and that he could not be otherwise. Let us come back to reason. I have no intention of offering any further arguments in connection with the bill. When I proposed it I thought it was for the benefit of Canada so that Canada would have the proper sign on the door within Canada and the proper sign outside Canada. Dominion day does not mean anything. Any man who has travelled throughout Canada and outside the country will know that the words "Dominion day" do not identify our national holiday. I say to the hon. member for Welland that we should at least have a definition of the day. Of course the hon. member from Nova Scotia who defended the Senate a few days ago took somewhat the same line that the Senate took when the bill was passed by this house and they spoke for about five months on whether it should be called "Canada day" at a cost of several hundred thousand dollars. They were ashamed of the name of their own country. Finally they came along with an amendment, but they did not send it back to this house in time to give us an opportunity to analyse it. I am not going to be one of those who support that kind of thing. I would prefer to go back home and look at my garden.

This is a very simple question, which is a fundamental principle of democracy and our parliamentary institutions. We passed that bill here and sent it over to the other place. They played with it for several weeks; they laughed at us—

Mr. Brooks: No wonder.

Mr. Cote (Matapedia-Matane): My hon. friend says it is no wonder. It is no wonder he is in the minority. We have had an election since then, and my hon. friend is not on this side of Mr. Speaker.

Mr. Brooks: I do not want to be as long as you are there.

Mr. Cote (Matapedia-Matane): If we pass a bill here on its merits, and give it three readings all in the one day, in the other house they should at least respect the vote of the people. After all, we are elected by the people and they are not. This is the principle. We have to decide—we, the commoners of this parliament—whether when we pass a law we believe in it, or whether we are to leave it in the hands of those in the other place and have them hold us up to ridicule before our electors and the world.

Canada Day

Mr. Speaker: At the moment I am having a little difficulty in deciding whether or not the amendment is in order. Standing order 63 reads in part as follows:

> At the commencement of each session, a special committee, consisting of five members, shall be appointed, whose duty it shall be to prepare and report, with all convenient speed, lists of members to compose the following standing committees of the house:
>
> (c) On miscellaneous private bills, to consist of fifty members, fifteen of whom shall constitute a quorum.

Has the committee on miscellaneous private bills any power to consider a public bill of this nature? I doubt it very much; and unless I am persuaded to the contrary I think I must rule the amendment out of order.

The question is on the main motion.

The house divided on the motion (Mr. Cote, Matapedia-Matane) which was negatived on the following division:

YEAS

Messrs:

Argue	Knowles
Arsenault	Lafontaine
Beaudoin	Lefrançois
Benidickson	Leger
Bourget	Macdonald (Edmonton
Bradette	East)
Brisson	MacNaught
Campney	McWilliam
Carroll	Major
Cote (Matapedia-Matane)	Maltais
Cote (Verdun-La Salle)	Monette
Cournoyer	Murray (Cariboo)
Dumas	Ratelle
Eyre	Richard (Ottawa East)
Fauteux	Stewart (Winnipeg North)
Fournier (Hull)	Studer
Gauthier (Lake St. John)	Thatcher
Gillis	Tremblay
Jutras	Valois
Kickham	Warren—39.

NAYS

Messrs:

Anderson	George
Applewhaite	Gibson
Ashbourne	Goode
Bater	Graydon
Beyerstein	Green
Black (Cumberland)	Gregg
Blackmore	Hansell
Boucher	Harkness
Brooks	Hatfield
Browne (St. John's West)	Hees
Byrne	Herridge
Cardiff	Hetland
Catherwood	Higgins
Charlton	Hosking
Coldwell	Jeffery
Corry	Johnston
Coyle	Jones
Dewar	Kirk (Digby-Yarmouth)
Diefenbaker	Laing
Douglas	Low
Drew	Macdonnell (Greenwood)
Fair	MacDougall
Fraser	MacLean (Cape Breton
Fulford	North and Victoria)
Fulton	McGregor

McIlraith	Smith (Queens-Shelburne)
McIvor	Smith (Moose Mountain)
McLean (Huron-Perth)	Stanfield
Matthews	Stick
Mott	Thomas
Murphy	Weaver
Noseworthy	Weir
Pearkes	White (Middlesex East)
Prudham	Whiteside
Quelch	Winters
Ross (Souris)	Wright—73.
Simmons	
Smith (Calgary West)	

Mr. Mitchell: Mr. Speaker, I was paired with the hon. member for Waterloo South (Mr. Homuth). Had I voted, I would have voted against the motion.

An hon. Member: Why?

Mr. Mitchell: Because I have some sense; that is why.

Mr. Speaker: The hour reserved for private and public bills having expired, the house will resume consideration of the matter under discussion at six o'clock.

SUPPLY

The house in committee of supply, Mr. Beaudoin in the chair.

DEPARTMENT OF TRANSPORT

Board of Transport Commissioners for Canada—

524. Board of Transport Commissioners for Canada —administration, maintenance and operation, $624,800.

Mr. Johnston: When the committee rose at six o'clock I was endeavouring to show how the railways, through their subsidies, were in a preferred position as compared with their competitors in the field of transportation. I want to refer to another instance in which the railways have preference over other types of transport, thus giving them a further advantage. In 1949 an order in council was passed, P.C. 8303, which altered the subsidy previously given to railways, steamships and trucks in the hauling of western feed grains and mill feeds to eastern Canada. By this order in council, P.C. 8303, a change was brought about in that subsidy whereby, if western feeds, western grains, and mill feeds were transported by rail they received a subsidy of $5.50; if hauled by water they received a subsidy of $4.15, but if hauled by truck the subsidy was withheld entirely. The evidence is clear in that case too that the railways, through government action, were given a very preferred position over that of trucks, and once again we find the government protecting their own railway business by government legislation.

Then, Mr. Chairman, we have the increase in freight rates granted to the railways just recently by the board of transport commissioners amounting to some 45 per cent, which in effect increases the revenue of the railway. I am not saying whether that increase is justified or not, but it does undoubtedly put the railways in a preferred position.

On reviewing the evidence of the commission in regard to freight rates, the thing that struck me was that no endeavour was made to find out if there was an excess of overhead charges. It appears that any time the railways find themselves in difficulties, so far as revenue is concerned, all they have to do is to come to the government and apply for an increase in freight rates; and because one of the railways is government owned they have no trouble in getting all the increases they require. That is not true of the other competitors in this field of transportation.

As I indicated on another occasion, it was pointed out in the public accounts committee by one of the members of that committee that the over-all policy of the government was to give all their freight haulage to the railways or to water transport, and very little if any was to be given to trucks. That evidence seems to be borne out in all the things that I have indicated so far in my argument.

The railways are put in a preferred position by other government legislation. The house will remember that in 1938 legislation was passed which gave the railways the right to make agreed charges with business concerns which had freight to haul. That is, the railways could contract at a certain price to haul all or a portion of that company's freight, and thus the trucks were prevented from getting any of that business. Government legislation again gave the railways a very preferred position. I point out to you, Mr. Chairman, that several pieces of government legislation have discriminated against every other competitor of the railways so far as western Canada is concerned. This does not just merely happen; it is the policy of the government. There is no question about that, because they are the ones that are responsible for this legislation.

After the agreed charges were brought down, the judicial committee of the privy council recently decided that the effect of an agreed charge on the objecting carriers business and revenue is a relevant consideration for the transport board. The approval of an agreed charge has been withheld when it was shown to be unduly prejudicial to a water carrier who had participated in the carriage of a traffic and resulted in an undue or unfair advantage.

The Transport Act of 1938 gives to carriers by water and by air an opportunity to defend themselves but denies such an opportunity to carriers by motor vehicle.

There again, Mr. Chairman, we find that the board of transport commissioners very definitely make it impossible for motor transportation to take an appeal to that board no matter how unjust the action may be. It certainly goes without question that once again by legislation the government has placed facilities at the disposal of the railways and to the detriment of the only form of competitive transportation we have in western Canada, namely, the motor truck.

A while ago in regard to trucking I mentioned the national parks. I believe it was yesterday we talked about this matter when the Minister of Resources and Development (Mr. Winters) assured me that when the trans-Canada highway was built through national parks the highway would be made available to trucks hauling through those parks, and not only through Banff but through Jasper, Yoho and the Kootenays.

Up to the present time through transportation by way of these parks has been absolutely forbidden. The Minister of Resources and Development pointed out that that was a regulation by the parks management themselves. However, when one understands that the national parks are under the control of the dominion government, then there can be no doubt about it that the order comes directly from this government.

There could be no more effective way of turning that entire transport business over to the railways than by barring trucks from passing through our national parks. That is exactly what was done in western Canada. All that business went to the railways. In effect it put a stop to all motor transport business between Alberta and British Columbia. Once again we find the government interfering with private enterprise in favour of its own government-owned railway.

It is contemplated that the trans-Canada highway may take seven years before it is completed. One must keep in mind that that is a long time for the railways to possess a further monopoly on those transportation facilities. As the trans-Canada highway is now being proceeded with the railways are becoming more concerned than ever about their competitors. They are not trying to compete, in the ordinary sense that one branch of free enterprise competes with another. They are not trying to reform their transportation business so as to bring it up to date. No; they are trying to drive out their competitors so that they will have the field completely to themselves.

As the legal representative of the province of Alberta stated before the royal commission, the day that motor transports are put off the road in favour of the railways, on that very day we will see an increase in freight rates in western Canada. And, believe me, that is only too true.

What is the purpose of building the trans-Canada highway? The purpose is twofold; one is to convey tourists from one side of Canada to the other, and the other is to have a highway which will serve for truck transportation as well. The Minister of Resources and Development indicated the other day that that was the purpose for which this highway was being built. Of course, no sensible person would take issue with that. However, it would seem that the Department of Transport is not of that view. While I am speaking about the trans-Canada highway, and its relation to freight, may I read a portion of an editorial which appeared in the *Western Producer* of May 4, 1950. It has this to say:

> Course of the highway across the west was never a very important issue, really. The big question was not where, but when the road would be built.

And then later:

> It will be a strong link between the industrial east and the agricultural west and constitute a sound beachhead on the trade and geographic barrier separating the two. From the standpoint of national defence, the highway is imperative now that Canada is at the crossroads of world history.

The editorial points out that when this road is built it will constitute a sound beachhead on the trade and geographic barriers separating the east from the west. But if the railways had their way, certainly no such beachhead would be established; because it is only too well known that if it had not been for the railways trying to maintain a monopoly on the transportation of freight the trans-Canada highway would have been built years ago. I give the Minister of Resources and Development all the praise coming to him for pressing forward this work. It has been held too long in abeyance in order to help the privileged few.

Let us take note of the difference in the attitude taken by the United States government in the matter of highway traffic. It is true, as was pointed out this afternoon by the Minister of Transport (Mr. Chevrier), that freight rates in the United States are higher than they are in Canada. But that country is certainly taking the opposite view so far as general transportation is concerned, and in its attitude toward free enterprise, because not only are they encouraging truck transportation, but they are building express highways for the purpose of the greater and faster movement of freight by highways. The railways are forced to compete with those highways.

I say that if our railways cannot compete in rendering a service at as reasonable a rate

as is offered by motor transport, then they had better get out of the business because, if that is so, they are certainly becoming outmoded.

When the railways were presenting their evidence before the royal commission they made four general statements in regard to transportation. The first was that they wanted an amendment to the British North America Act to give to the federal government complete control over the highways. Now, what would be the purpose of the railways in wanting to turn over to the federal government the complete management of the highways? They know, without question, that that problem would be turned over to the board of transport commissioners and that then, as now, all the favours would go to the railways in order that they might maintain their complete monopoly.

Mr. Murray (Cariboo): May I ask the hon. member a question?

Mr. Johnston: I would just as soon you would wait. You will have another opportunity, and the time at my disposal is passing rapidly. In this connection I wish to quote from the Calgary *Herald* of December 15, 1949, to show that I am not the only one expressing this view. They say this in an editorial:

George A. Walker, chairman of the Canadian Pacific Railway, has suggested federal control of the highway trucking industry as one solution of the railways' difficulties. He has made this suggestion in the C.P.R.'s submission to the royal commission on transportation.

While we must accept the fact that the growth of truck competition is giving the railways cause for serious concern, we cannot agree with Mr. Walker that state regulation is the answer. It seems to us that a great number of other questions must be answered first.

It is customary for the railways to point out in this controversy—which, incidentally, has been going on for years—that while they move over permanent way which they have to maintain themselves at great expense, trucks move over highways which are built by the taxpayer. Therefore, they argue, trucks have a commanding competitive position.

But it seems to us that the question raised by this contention is not whether the state ought to regulate the trucking business, but whether trucks are paying their fair share of licence fees towards highway maintenance. So far as we know, very little serious research has been done into this problem.

If a heavy truck does more damage to highway surfaces in a year than is covered by its licence fee, then clearly that fee ought to be raised. There is no reason why trucks should be subsidized either by private motorists or by the general taxpayer.

May I interrupt there to say that they are not subsidized, but the railways are. The editorial continues:

But until it is established that trucks are being subsidized, it would be wrong to make any unsupported assumptions.

[Mr. Johnston.]

Now it is true that truck transport is often cheaper (and more convenient) than rail transport. Assuming that trucks pay their fair share of highway maintenance, this can only mean that for certain purposes truck transport is economically more efficient than rail transport.

And if this is so, there is no excuse whatever for regulating it into a position of lower efficiency—and that, whether we like it or not, would be the immediate effect of any control which forced trucks to charge as much as railways for carrying freight.

On some branch lines, and in some categories of freight, the railways apparently find it impossible to compete with trucks owing to their large fixed charges. There is no doubt that a healthy railway system is essential to the Canadian economy, but that cannot change the fact that where trucks can carry goods more cheaply and just as efficiently as railways, then trucks should get the business.

If, for strategic reasons, it is considered necessary to keep certain lines open despite the fact that they lose money in peacetime, then they should be maintained honestly and openly by direct subsidy as a charge against defence expenditures. But we do not see where further state control is going to help anybody.

May I endorse that statement as my own. I go on to the second submission by the railway which was: Eliminate highway services between railway points. That would have a terrible effect upon transportation particularly in western Canada. It would mean that trucks would not be able to operate between Calgary and Edmonton, between Edmonton and the Peace river, between Regina and Saskatoon, between Toronto and Montreal or between Toronto and other points in Ontario. If that suggestion were followed it would mean that the railways would have a complete monopoly.

Then it is suggested that trucks should be restricted to hauls between 50 and 100 miles. When I was speaking the other day I indicated that that was the government's view as well and once again we see the Canadian Pacific carrying the ball for the government and the Canadian National.

The fourth submission was to eliminate highway subsidies by increasing user taxes. It seems to me that there the railway is getting into the realm of nazi dictatorship. What greater dictatorship would you want than evidence that they are trying to force their competitors out of business by increasing taxes on motor transport when at the same time they receive a government subsidy? The insinuation there is that trucks do not pay their way, but I should like to quote from an address by Mr. G. M. Parke, president of the Automotive Transport Association of Ontario Incorporated. The figures I intend to quote were taken from the statistics of the department of highways of Ontario so they must be correct. I quote:

Last year, commercial vehicles represented 18 per cent of the vehicles on our highways yet paid more than 50 per cent of the licence fees and in the neighbourhood of 40 per cent of the gas tax.

A study made two years ago revealed that the owners of public commercial vehicles, although operating less than one per cent of the vehicles on our highways, paid approximately $6 million in licence fees and gas tax, or nearly 14 per cent of the total revenue collected by department of highways for 1947.

On the over-all picture of highway financing, department of highways statistics for the past ten years disclose receipts of $52 million in excess of the expenditure of $350,747,000. This expenditure not only included subsidies of some $77 million paid to counties, townships and towns and villages, as well as $4 million for roads in unincorporated townships and development roads under section IVB of the highway improvement act, but the complete cost of constructing and maintaining King's highways and development roads. A shining example is the construction of the Red lake road. The cost of $6,500,000 was paid out of current receipts.

That highway taxes in Ontario have been more than sufficient for the construction and maintenance of our fine highways is unquestionable. Suffice to say, commercial vehicle owners, paying close to 50 per cent of current highway costs, are more than paying their fair share.

The Deputy Chairman: I must inform the hon. member that he has exhausted his time.

Mr. Johnston: I am not able to conclude what I want to say on this occasion but later on I shall try to analyse the mental processes of the Minister of Transport in respect to competition with the railways and try to prove that they are in a very preferred position. I shall try to prove also that it is the intention of the government, particularly the Department of Transport, to eliminate all competition with the railways.

Mr. Murray (Cariboo): Does the hon. member regard the Big Bend route for the trans-Canada highway as being in the national interest?

Mr. Johnston: That question could more properly be directed to the Minister of Resources and Development because he is spending $25,000 on a survey of that route. I could suggest quite a few changes, and that would be one of them.

(Translation):

Mr. Maltais: Mr. Chairman, the question of freight rates is causing a great deal of comment. However today's discussion has not clarified the situation to a very great extent. It has provided an opportunity for our Conservative friends to move a vote of confidence in the government.

This rate problem seems to have originated with the history of this country, and it has certainly widespread ramifications throughout the whole economic structure of this nation.

The western provinces, at least this is what I understood from the remarks of the hon. member from Lake Centre, have complained of discrimination, unfairness and injustice. The Canadian National can hardly meet its obligations on account of the tottering financial structure it has inherited from our successive governments and our political fancies. The Canadian Pacific, a private concern that makes every effort to provide the best service possible, can barely stand the competition of a government subsidized railway.

Our economic structure is therefore shaken and at times has difficulty in keeping its balance because of all the problems created by this situation.

This afternoon, the member for Regina City (Mr. McCusker) gave a short historical account of freight rates in western Canada. It seems they originated with the Crowsnest pass agreement, which goes back to 1897, I think, when certain maximum rates were set and guaranteed for the transport of grain and flour. Other conditions, for instance rates covering the transport of other commodities, were connected with this agreement.

As I see it, the agreement came about because western Canada had no choice in the matter of transport facilities, and was anxious to prevent the Canadian Pacific Railway from asking for a subsequent increase in its freight rates. On the other hand, those ceilings allowed the western provinces to ship a commodity vitally important to them. The rates set by the agreement have always been agreed to by the majority of the Canadian people, at the time of that decision as well as today.

This afternoon, the hon. member for Lake Centre championed the cause of all those who favour the maximum rates set in the agreement. I wish to remind him that around 1918 the Conservative party wanted to put aside that agreement and substitute therefor the authority of the board of transport commissioners. He seemed to have a good memory this afternoon. However, I would like to put on the record a brief account of what happened between 1922 and 1925 in connection with this problem. The following excerpt is taken from page 189 of the report of the royal commission on dominion-provincial relations, volume II—that is the Rowell-Sirois commission. I quote:

Between those who thought the Crowsnest Pass Agreement Act (which antedated the bill creating the board of railway commissioners by six years) should be repealed, leaving freight rates in the west to be fixed by the railways subject to appeals to the board, and those who held that these rates should be continued as a protection to an area which was not favoured with water competition, a conflict began in 1922 which was fought out in special parliamentary committees, in cases before the board of railway commissioners, in references to the supreme court, in appeals to the governor in council and in parliament itself. In the result,

the principle that it was proper for parliament to put statutory limits to the powers of the railway commission was clearly established by the retention in the order in council of June 5, 1925, of the grain and flour provisions of the Crowsnest pass agreement.

Today, the Conservative party requests the abolition of the commission and poses as the great champion of the agreement that owes its survival to the Liberal party.

Naturally, in view of his party's previous position, I am only mildly interested in the invitation of the leader of the opposition (Mr. Drew) to support his amendment.

It will be seen, therefore, that since 1925 freight rates for grain and flour have remained the same and recent increases could not be brought into effect.

We are faced here with an important question. Whenever a preferential rate is provided for certain goods in the lower classes, should not freight rates on goods in the higher classes compensate for the loss sustained in the first case? I merely want to point out the matter now and will refer to it again in a moment.

At the other end of the country, that is to say, in the maritimes, new rates have been brought into effect under the Maritime Freight Rates Act.

The central provinces, that is Quebec and Ontario, seeing these means of transportation grow with amazing rapidity, were, in turn, faced with a problem, since competition began to appear between the various forms of transportation.

It was then that the C.N.R. and the C.P.R. were forced to revise their rates in order to meet this competition. Certain adjustments had to be made, which caused the maritimes to lose the advantage that the 20 per cent reduction had originally brought them.

There obtained then, in some regions, conditions which were bound to affect the economic stability of a group of provinces, endangered by the competition which had arisen in the central provinces, which were bound by an agreement with another part of the country where a maximum price was imposed because of the greater volume of transportable goods. It was therefore not easy to find a formula satisfactory to Canadians of all regions, without imposing too heavy a burden on the provinces of Ontario and Quebec in order to maintain the railway system which Canada now enjoys.

As I said at the beginning of my remarks, if there is a special rate for a certain class

[Mr. Maltais.]

of commodities, it is only normal that another class of commodities should compensate for the loss incurred. Otherwise, the government would be forced to subsidize the railways in order to compensate for the loss in revenue they would necessarily sustain. Then, who is going to assume these responsibilities? I have often heard that Quebec and Ontario are paying their substantial share.

I am asked if I have anything to suggest. Yes, I have something to suggest, though it is something which does not agree with the suggestion made by the leader of the opposition. As a matter of fact, the board of transport commissioners, with all its experience, is in my estimation the organization which is most likely to bring about the best solution. Perhaps, it might be advisable that it should undergo certain changes, but it is out of the question that it should be dispensed with completely.

It seems that, as the years go by, the tendency is to equalize the freight rates in so far as certain higher grades of commodities are concerned. It seems also that there is now a tendency to grant special rates on primary products when the particular economy of a district is affected. If it is the decision of this government to relieve the situation by way of grants, why not add them to the maximum prices of these products? We would thus be killing two birds with one stone, helping at the same time the economy of the district concerned and that of our railways.

I have not carefully considered the various reasons put forth in favour of the horizontal increase in rates but, to my mind, it stems from the financial position of the railways.

The plight of the Canadian National, whose financial structure is heavily burdened by all sorts of commitments and in some cases crippled by extravagance, is daily growing worse. The Canadian Pacific, a private company, has to compete with a government enterprise and does not earn enough revenue to meet this competition.

Naturally, I am against any increase in freight rates but I have reason to believe that it is safer and wiser to await the findings of the royal commission before overthrowing, by a single vote, what generations have tried to build, in the past few decades, in the field of transportation.

I will not mention the C.C.F. amendment. It is, in effect, a motion of non-confidence in

the government and I am not ready to accept their nationalization program that borders, if followed to its logical conclusion, on another doctrine which is not to my liking either.

(Text):

Mr. Brooks: Mr. Chairman, we have had a long discussion on freight rates today, and I do not intend to take much of the time of the committee. It is not my intention to discuss the merits or demerits of the amendment or the amendment to the amendment. Member after member has already discussed the incompetence of the board of transport commissioners. I will only say that if they are half as incompetent as the leader of the opposition and the hon. member for Rosetown-Biggar have accused them of being there is no reason why they should not go. I have heard railway rates discussed on many occasions in this chamber, and I took part when we were discussing the 21 per cent increase in freight rates in 1948. When it was instituted we of the maritime provinces did not oppose the increase as such, because we realized that railway rates had to be raised. What we did oppose was the method of the increase, and what we considered and believed was unjust discrimination against the maritime provinces. We felt then as we feel now, that increases in railway freight rates should be borne equally by all sections of the country and not as it is today.

There has been a 45 per cent increase since 1946. We believe that the horizontal method —and I think anyone who studies it will come to the same conclusion—discriminates against the people of the three maritime provinces as it does against the people of western Canada. It is something that should be corrected. I do not think the board of transport commissioners has been considering the matter of railway freight rates from the the broad point of view that it should take, but rather from what might be termed a dollar and cents point of view. I think railway rates should be considered from the point of view of the development of trade in all sections of the country, the geographical position in which different sections of the country find themselves, and more particularly, as I think was the case in the early days, in the spirit of confederation.

Railways and railway freight rates have been a most important consideration for the people of the maritime provinces from the days when this country first became the Dominion of Canada. As a matter of fact the economic existence of the three maritime provinces depended to a great extent on the railways and on cheap freight rates. One of the main conditions under which the maritime provinces came into confederation was that we would be given satisfactory railway transportation, and that we would also be given satisfactory freight rates. To indicate just how the present rates are considered in my own province I should like to read an article which appeared in the Saint John *Telegraph-Journal* of March 2, and which I think expresses it far better than I could:

Another Freight Rate Blow

The latest horizontal increase in railway freight rates, authorized yesterday by the board of transport commissioners, is another blow at the economy of this part of Canada. It will make it more difficult for New Brunswickers to do business, will aggravate the unemployment problem, and will tend to advance the cost of living.

The high cost of transportation has always been a burden on this region and a factor calculated to retard industrial development. And whenever the freight rates are advanced on a flat percentage basis the position of this province becomes worse.

That is the way they are being advanced at the present time.

That's because we are far from the country's largest markets and its main sources of raw materials, and are up against long rail hauls.

Percentage increases obviously bear more heavily on long haul than on short haul shippers. Then, too, in central Canada rail rates are held down to meet truck and water competition. In New Brunswick the railways do not face such competition nearly as much, and are thus not compelled to reduce rates to hold the traffic . . .

In hearing the railway applications for higher rates, the board of transport commissioners contended that it could not consider the economic implications from the standpoint of the various regions. It held that this was not within its jurisdiction.

That is what I said a few moments ago, that this matter was considered from the dollar and cents point of view and not from the broad point of view, as I think it should have been.

The royal commission on transportation, set up by the federal government to consider all phases of the freight rate issue, has wider powers. Our best hope now seems to be that this tribunal will find a more equitable way of distributing the freight rate burden, so that while the railways will get the revenue they need, undue hardship will not be imposed on all provinces but Ontario and Quebec. Certainly, horizontal rate increases are wrong in principle, and not in the best interests of Canada.

As I said a short time ago, Mr. Chairman, since the days of confederation we have realized that railways were one of our chief considerations. I shall not weary hon. members this evening with the history of the railway situation in the maritime provinces from the time of confederation, but I should like to mention just a few points. From 1867 to 1912 the maritime provinces were fairly well treated as far as freight rates were concerned. We in those provinces were left

more or less to adjust our own freight rates. In 1912, however, when the Intercolonial railway was taken over, the first increase in rates was brought about. That increase amounted to 10 per cent, and I point out to hon. gentlemen that it applied in the maritime provinces only. In 1915 there was a 5 per cent increase, again only in the maritime provinces. Then in 1918 there was a 15 per cent increase, so the increases amounted to 30 per cent in a little over six years. The last increase, of course, applied to all Canada. These increases placed such an intolerable burden upon the economy of the maritime provinces that something had to be done. The condition was such that in 1925 members of parliament from the maritime provinces, Conservative and Liberal alike, joined in protest and presented to this house what was then called their claim for maritime rights. If I may say so, Mr. Chairman, I believe the action of the maritime province members in joining together in 1925 to urge what they felt were the rights of their provinces should set an example to the maritime province members of today. I hope all members from the maritimes will unite at this time to see if they cannot get our rights adjusted in this matter of rates.

The result of the agitation for maritime rights was the appointment in 1926 of what was known as the Duncan commission. Sir Andrew Rae Duncan as chairman made a survey of conditions in the maritime provinces and his commission made many recommendations, some of which have been implemented while others have not. I do not intend to go into those questions this evening, but as far as our railways were concerned it was recommended that this matter should be very carefully considered, and as a result a 20 per cent reduction on rail rates within the maritime provinces was brought about. The opinion is sometimes expressed in this house that this 20 per cent reduction in rail rates was given the maritime provinces because of the long rail haul, but that is not entirely true. After investigation, it was found that taking 100 as the index of operation at that time, the figure for the maritime provinces was 192 while the figure for the other parts of Canada was 155. So the 20 per cent reduction was not because of the long rail haul but because of this situation which had grown up over a period of years. It was also given us in order to encourage industry. We had lost much of our industry in the maritime provinces, and it was felt that if we were to compete with industry in other parts of Canada we must have some encouragement.

I was rather surprised to learn that there is some misunderstanding in New Brunswick in reference to this 20 per cent reduction, and particularly as to the submission that has been made to the royal commission on transportation. I understand the government of New Brunswick has recommended that the 20 per cent reduction under the Maritime Freight Rates Act, which now applies only to transportation within the provinces and west out of the provinces, should apply also to freight coming east into the maritimes. I have not sufficient information to say whether this should or should not be done; I believe there are strong arguments on each side. It does seem to me, however, a sad commentary on the situation in our province that the government should feel that the days of industry and manufacturing in New Brunswick must be almost over. Now we can say to the manufacturers in other parts of Canada, "You shall have this 20 per cent increase on freight coming into our province because it looks as though the freight structure we have will mean there will be no more manufacturing in our province". It seems to me, Mr. Chairman, that must be the attitude which some of the people, and the government of our province, are taking at the present time. The hon. member for Cape Breton South spoke about the protection of our industries. He said that we only had a few industries in New Brunswick, and that may be true. He said that it did not make much difference, or words to that effect, whether or not those industries were saved. We know that the member for Cape Breton South is not in favour of private enterprise, and probably his remarks were coloured somewhat by that view.

I know personally that we have splendid industries in the maritime provinces. Over a period of years they have established a reputation for the excellence of their quality, and it is for that reason they are continuing. I could mention our boot and shoe industry in Fredericton; the enterprise foundry in Sackville; our chocolate industry, in both Halifax and St. Stephen; the Fawcett factory in Sackville; the Simms Brush Company in Saint John, and Stanfield underwear in Truro and others of the same quality and standing. Our industries have built a reputation for quality, Mr. Chairman, and it is for that reason more than any other that they have survived. It is not my intention to labour that point, but I do think it worth bringing to the attention of this house. that in the past the maritime provinces had a 20 per cent protection which built up our industries. With the loss of so many industries, with the high freight rates we now have, and the hopelessness which you will find if this situation continues—it will be difficult to

encourage new industry or retain the old. The only hope we shall have will be from our basic industries.

I feel that the maritime provinces are back to the position in which they were in 1926 when the Duncan commission reported on the maritime claim. I should like to read what the Duncan commission said about our claims in its report to the federal government:

> The Intercolonial railway was completed in 1876, and it would appear from the evidence we have received that from then until 1912 the interests of the maritime provinces were fairly well safeguarded.

I mentioned that a few moments ago.

> The lower level of rates that prevailed on the Intercolonial railway system prior to 1912, is, in our view, rightly to be interpreted as the fulfilment by successive governments of the policy and pledges that surrounded the railway from its inception . . .

As I pointed out, the Duncan commission found that these confederation pledges had been followed. We had hoped that the injustice which had been done would be corrected. It was corrected, as I say, by the Maritime Freight Rates Act. Today the situation is as bad as ever. The Maritime Freight Rates Act came into force in 1928, just prior to the depression. We did hope there would be more industry attracted to the maritime provinces, and the province of New Brunswick, but as you know during the depression years very little industry was attracted to any part of Canada. The war followed the depression; and, so far as the Maritime Freight Rates Act is concerned, it really has not had an opportunity of operating in the maritime provinces to encourage industry.

I feel that the whole freight rate situation needs a complete overhaul. The disadvantages from a geographical point of view and other factors should receive every consideration. Every increase in the railway rates has meant less business in our province. We are in a different position today from what we were a number of years ago. Our overseas markets are lost. We do not sell our apples, for instance, in Great Britain as we did a few years ago. The apple producers have to turn to Toronto and Montreal, as well as the other parts of Canada, in order to sell their products. This means that the higher freight rates put another burden on the apple producers of the Annapolis valley and the Saint John valley. The same considerations apply, Mr. Chairman, to our lumber, our potatoes, our fish and other primary products.

The other day I noticed in one of the papers an article with which I quite agreed, to the effect we have too many miles of railway in Canada. By that I do not mean that in new territory, such as mining territory in the north country, where there are great natural resources, we should not have new lines of railway. In the various provinces, however, there are old branch lines which are not necessary. Trucks are carrying most of the freight, and buses are carrying most of the passengers. I hope this transportation commission will give careful study to the matter, and recommend the elimination of many of these lines which are today only a burden on the country.

The hon. member for Bow River spoke of truck transportation. This is a matter, of course, which will have to be given careful consideration. There is no question but what the trucks are in the transportation business to stay. I believe there is a place for the trucks in our transportation system, just as there is a place for our railways, our air transports, and our water transports. I believe this is something to which the royal commission should give careful study. I do not believe our transportation problems are such that they cannot be solved. I feel they can be solved in the best interests of all the people of Canada, and in a way that will make no section of Canada suffer. So far as this royal commission is concerned, I note that they are preparing their report and I do hope it will be a satisfactory one. I have great faith in that commission. The chairman of the commission, the Hon. Mr. Turgeon, is from my own province of New Brunswick. Perhaps that is one reason why I have faith in it. I have great faith that this problem of transportation will be solved, and that all sections of the Dominion of Canada will be properly served. No one could contemplate for one moment the loss of our railways. Canada would not be a nation long if that should happen. In my opinion the competition with which the railways have to contend must be controlled.

It is not my intention to speak any longer tonight. As I said a few moments ago, I do hope that justice will be done to all sections of Canada, whether it be in the matter of transportation, economic production or industry; that we will be protected and that every section will have the same opportunity for progress and prosperity.

Mr. Chevrier: I have listened with keen interest to the various speakers in this debate. Some of the speeches which were made were of a constructive nature. I am sorry to say that others were not.

If I were asked who made the boldest speech on this subject I would say it was the leader of the opposition. I would say that because of the language which he used; I would say that because of the fact that he found everything about the board of transport commissioners incompetent; he found

that the government had made a mess of the whole matter. He had little or nothing to offer other than the motion which he made, which will solve absolutely nothing.

If I were asked who made the mildest speech I would have to hesitate between the leader of the C.C.F. party and the hon. member for Cape Breton South, because their criticism was somewhat mild. In fact all they wanted was to reduce the estimate of the board of transport commissioners by one dollar.

If I were asked who made the loudest speech I would have no hesitation in answering that question. It would be the hon. member for Lethbridge. If I were asked who made the most indignant speech I would say it was the hon. member for Lake Centre.

Mr. Hansell: May I suggest to the minister that there are still more speeches coming when he gets through.

Mr. Chevrier: Perhaps I shall have an opportunity to reply to them.

I would say that the hon. member for Lake Centre had made the most indignant speech because, in his inimitable way, he shook his fist, pointed his finger and turned his head at this side of the house in a most critical way. I do not think he added a great deal in a constructive way to the debate. I am sorry that neither he nor the leader of the opposition is in the house because I propose to deal at some length with their remarks.

The leader of the opposition began his statement by saying that the comparison I had made with the United Kingdom and the United States did not hold water because conditions in Canada vis-à-vis the United Kingdom and the United States were entirely different. I said that the increases in freight rates in Canada amounted roughly to 45 per cent; whereas in the United States they amounted to something like 60 per cent and in the United Kingdom to 80 per cent. I made that statement because it has always been the practice to compare the level of freight rates in this country with the level of freight rates in the United Kingdom and in the United States. We did that before the war, and in so far as the level is concerned the position is not changed today from what it was prior to the war.

The reason I wanted to put that on the record was to indicate that we are on the right path, since the percentage of the rise as between Canada and these two countries remains relatively about the same.

That is further borne out by an additional fact, namely, what the average revenue per ton mile is in Canada. The cost of transportation in Canada, as measured in terms of average revenue per ton mile, is the lowest in the world with the exception of one or two countries. I intend to put on *Hansard* certain figures which will bear that out. If those figures are not correct I hope that the opposition will challenge them.

Mr. Blackmore: Will the minister permit a question? Will he tell the committee how the freight rates of Canada compared with those of Great Britain and of the United States before the increases occurred? Has the minister those figures?

Mr. Chevrier: I do not propose to deal with that because I have already given the reason why the comparison was made.

The figures that I intend to put on *Hansard* will indicate what the public pay for transportation in these various countries. I repeat that the average revenue per ton mile or, in other words, what the public pay in Canada to transport their goods, is .97 of one cent. In Australia it is 2.47 cents; in South Africa it is 1.59 cents; in Argentina it is 1.94 cents; in Great Britain it is 2.34 cents; in France it is 2.30 cents; in Germany it is 2.05 cents; in Italy it is 2.13 cents; in Belgium it is 2.11 cents; in Switzerland it is 4.95 cents and in Turkey it is 3.44 cents. I say I was justified because of the statement which I have now put on *Hansard*, in making the statement I did earlier in the debate.

The next point made by the leader of the opposition was that the judgment of the board of transport commissioners failed to deal with the unfair differential. "In other words," said the leader of the opposition, "this judgment did not begin to deal with the most important question of discrimination." Of course it did not. It was never called upon to deal with it. It was not dealing with unfair discrimination between one part of Canada and the other. That was not the responsibility or the duty of the board on these applications; neither on the 30 per cent application nor on the 20 per cent application was the board called upon, and no one knows it better than the members of the opposition; because counsel for the provinces repeatedly said: "This is not the place nor the time to deal with discrimination. We will deal with that later on. This is an application made for an increase in rates." In other words, it is a revenue case, as I stated earlier in the debate. Therefore it was never the intention that this should be what was implied by the leader of the opposition.

Then the leader of the opposition made his main point. He said: "The board is incompetent. It is responsible for the state of confusion and chaos in which the country finds itself today." He said: "The government should take over. There must be a board of course, but it should be constituted otherwise.

It is not functioning at this moment as it should, and it is not competent to assume its tasks; the government must assume the direct responsibility." He was followed in that charge by the leader of the C.C.F. party, by the hon. member for Cape Breton South, by the hon. member for Lake Centre and by other hon. members. I am not surprised at that attack on the board. That attack was exactly the same as the one in 1948, when the 21 per cent case was made—when the decision was made to increase the rates by 21 per cent. The resignation of all members of the board of transport commissioners was called for then. They said at that time that every member of the board should be dismissed, that they were useless, that they did not know their business, that they did not know what they were doing, and that neither did they know what they were finding.

I am glad that other people have a different view concerning the board of transport commissioners. I have confidence in the board of transport commissioners, and I deprecate the attempt of some members in this House of Commons in trying to undermine the confidence of the people of Canada in that body. I do not think it is indicative of constructive criticism to attack the board of transport commissioners in that way; neither do I think that it will lead to any solution of this problem.

Let us for a moment see who are the members of this board. First there is the chairman, Mr. Justice Archibald. He is a lawyer, and a judge of standing. He acted as a member of the war labour board during the war—

Mr. Mitchell: As chairman.

Mr. Chevrier: My colleague says that he was chairman. He brought down decisions which met with the full approval of members of this House of Commons, and which met with the approval of the people of this country, on many occasions. He is learned in the law, and I say he is well qualified to act as chairman of that board.

Then, the assistant chief commissioner is Mr. Hugh Wardrope. He is from Ontario, and equally learned in the law. I do not think that anyone would say that he is not competent to deal with any problem we put before him. He is there for a second term, and has had a wealth of experience in these questions.

Then, Mr. MacPherson is from British Columbia. He is on the board for a second term, and also has a great deal of experience.

Commissioner Chase came from the railway brotherhoods of this country. I think it has been shown many times that he has the confidence of the people. The same is true of Mr. Patterson, who was premier of Saskatchewan. I do not think anyone in this House of Commons would dare to say that he does not know what the feelings of the people of Saskatchewan are. He has had a great deal of experience in public life, and I think he is competent to deal with the matter of freight rates.

Then the leader of the opposition (Mr. Drew) goes further and says that the government should step in and take over the responsibility. So did the hon. member for Lake Centre (Mr. Diefenbaker) who is coming into the house now. He, too, followed the same argument. Well, I say to him and I say to the leader of the opposition just this: That that sort of thinking is just about forty-five years old. That sort of thinking goes hand in glove with the thinking of the Conservative party across this country over a long, long period of time.

I say that because that is exactly what took place in 1903. In 1903 it was the responsibility of the governor in council and of the privy council to deal with matters affecting freight rates. In fact there was a subcommittee of the cabinet whose responsibility it was to fix rates. At that time, because of the difficulty of such a committee in dealing with matters of this kind, the government appointed Professor McLean, who had had a great deal of experience in matters concerning freight rates, and who had spent all his life studying the question.

After having made an investigation and having reported to the government, he gave the reason why the railway committee of the privy council was unable to do an efficient and effective job with reference to freight rates. I quote:

> The committee has been unable, owing to its organization, to grapple effectively with the problem presented. It has been impossible, owing to its stationary character, to deal effectively with questions pertaining to rates and preferences. A more migratory body could deal more effectively with these matters.
>
> The defects of the railway committee as a regulator of railway transportation I would place under the following heads:
>
> 1. It has a dual function, political and administrative.
> 2. The lack of migratory organization renders it impossible to deal effectively with complaints.
> 3. The distances to be travelled by complainants render the expense too great.
> 4. There is lack of technical training for the work.
> 5. The existing organization is not sufficiently permanent.
>
> . . . .
>
> In my opinion, the only way to put the matter of railway regulation on a more satisfactory footing in Canada is by entrusting it to a railway commission composed of men of technical training, who

shall receive salaries adequate to attract the most efficient, and who shall have a long tenure of office.

There is the result of a survey made by a man who, I suggest, compares favourably with any other, in so far as his experience and his technical and expert knowledge are concerned. And now we are attacked by certain members of the opposition; we are asked by them to do exactly what was being done prior to 1903. And that is why I say that their thinking is at least forty-five years old.

It never should be the responsibility of the governor in council to fix freight rates. It never should be the responsibility of the governor in council to determine the freight rate structure.

Mr. Macdonnell (Greenwood): Why, there is an appeal to you now.

Mr. Chevrier: I am coming to that. True, it has a responsibility under section 52 which is judicial in nature. And as far back as 1903 an order in council was passed setting out in detail what those responsibilities were. I have already placed them on *Hansard* in an earlier debate, and I shall not take time to repeat them now, because I have further things to say which I believe are at the moment of greater interest.

But I simply wish to repeat this, that it never was the intention since 1903, to date, that the governor in council should determine the freight rate structure in Canada. That it should exercise powers of a judicial nature?—yes. It has done that by way of hearing petitions by provinces. It will do it again with reference to petitions now before it. But that the governor in council should do those very things which were recommended against by Professor McLean would be, I say, a retrograde step, and one which I am sure the government would never think of taking.

Mr. Macdonnell (Greenwood): You have done it on occasion.

Mr. Chevrier: The leader of the opposition goes on to say that it is the duty of the government to provide railway facilities and effective transportation facilities in Canada. Yes, of course. That is so, in theory. But what happens? A number of years ago I brought down a bill to build the Barraute-Kiask Falls line extending from the National Transcontinental Railway into the colonization lands of the province of Quebec. It was opposed by members of the opposition. Indeed, it was opposed by the hon. member for Greenwood, who is looking at me now, until I was able to establish to his satisfaction, and to that of the opposition, that the operation would be a profitable one.

Now, the leader of the opposition comes here and tells us that it is the duty of the government to provide effective transportation facilities in Canada, and on the other hand the members of his party oppose those things the very minute we propose them.

Then the leader of the opposition says that it is the duty of the board and of the government to provide effective railway transportation in Canada. No other country in the world has better railway transportation facilities than the Dominion of Canada. I say without fear of contradiction that we have here not only the most efficient but the cheapest transportation system in the world.

The leader of the opposition makes that statement, but what about his own followers who during the war and since have got up one after the other in their places to pay tribute to the Canadian National Railways and to the Canadian Pacific Railway for the excellent job they did during the war? Now we are told it is the duty of the government to provide effective railway transportation in Canada. I think that statement is somewhat farcical.

Then another point made by the leader of the opposition was that the board was in an impossible position, that it had an impossible task to deal with these matters. He then went on to explain why. I do not think that I quarrel too much with the statement that the board has a difficult problem, because it has a difficult problem to deal with in these applications that come before it and in equalizing freight rates across Canada. But the government recognized that and that is why under P.C. 1487 it directed the board to equalize rates and later decided that there should be a royal commission to investigate and advise the government.

When we give the opposition what they want, they criticize. When we do not give them what they want they still criticize. Will it ever be possible to satisfy hon. gentlemen on the opposite side of the house? The language used today by the leader of the opposition was entirely different from that which he has used on other occasions. I should like to quote from a statement he made earlier, and I quote from page 45 of *Hansard* of January 28, 1949, as follows:

> Royal commissions have a very useful and very important function if they are given terms of reference which clearly define their responsibilities, and if they are given a task which can be performed in a way that will lead to some useful results. There is reference in the speech from the throne to a royal commission to deal with transportation, which at the present time is being used mainly for the purpose of diverting public attention

from the fact that this government has failed to deal effectively in any way with the problem of freight rates, something which should be dealt with by the government with the information now available instead of setting up a further inquiry into this very subject.

The leader of the opposition complained about the establishment of a royal commission, but that is exactly what the seven provinces wanted. The leader of the opposition said that it was a waste of time, but the premiers of the provinces came to Ottawa and that is what they demanded. When the government accedes to their request the leader of the opposition is critical. Then he complained about the terms of reference, but they are pretty much what was recommended by the provinces when they came to see us. Here again there was consultation with the provinces, and still we are criticized. If we consult the provinces, we are found wanting. If we do not consult the provinces, we are told that we ride roughshod over them. I can come to no other conclusion than that the leader of the opposition is not happy because we consulted the wrong provinces.

I do not want to go into this point, but I think the leader of the opposition should be a little more cautious when he deals with royal commissions because his experience with royal commissions has not been too good. His experience with royal commissions in Ontario has certainly been far from what it should be. However, I do not think I should pursue that any further.

In his statement the leader of the opposition says that the government has failed to deal effectively with freight rates. It is not the responsibility of the government to deal with freight rates. That is the responsibility of the board of transport commissioners as was decided by this parliament when it passed the Railway Act as far back as 1903. This is the parliament that decided that it should be done that way, and not by the government. The only thing left to the government was the powers set out in section 52 which I say are of a judicial nature.

The leader of the opposition adopts the attitude that the government is responsible. But if he says that the government is responsible, which I deny and have denied several times already, then he will have no fault to find with me if I go back to ascertain what happened to freight rates under the Conservative regime. I hope that the hon. member for Lake Centre will listen to some of this because his mind is a little dusty—

Mr. Diefenbaker: What about Mr. Tucker and the Liberals in Saskatchewan?

Mr. Chevrier: —as to what happened under that regime. From 1903 to world war I there were no increases in freight rates in this country. The first general increase came in 1917 and I need not tell the committee who was in office then. That was known as the 15 per cent case and was made as a result of application to the board following the granting of a similar increase in the United States.

Mr. Macdonnell (Greenwood): After three years of war.

Mr. Chevrier: The second increase came in 1918 and was known as the 25 per cent case. Do you know how it was made? It was made by direction of the cabinet. The cabinet simply passed an order in council directing the board of transport commissioners to increase the rates by 25 per cent. What would the hon. member for Lake Centre or the hon. member for Greenwood say if anything like that were done today? What would the leader of the opposition, who so suddenly has taken an interest in freight rates and from whom we heard not a word when he was premier of the province of Ontario, do? I wonder what those hon. gentlemen would say if we adopted that sort of attitude today? I do not think we would have such indignant statements as were made by the hon. member for Lake Centre this afternoon if the hon. member had been in the house when action such as that was taken.

Then in 1920, still under a Conservative regime, there was an increase of 40 per cent in freight rates following an application by the Railway Association of Canada. It was not until a Liberal government came into office that the 40 per cent increase was reduced, first by 5 per cent in 1921, then again by 10 per cent in the same year, with a further decrease on August 1, 1922, leaving a net increase of 17½ per cent in eastern Canada and 12½ per cent in western Canada. I wonder what the leader of the opposition has to say with reference to the action taken in those years? I should like to quote a report in the Montreal *Star* of a statement made by the leader of the opposition on January 14, 1949, as follows:

The royal commission to investigate Canada's freight rate structure was tagged tonight (in Regina) by Hon. George Drew, Progressive Conservative leader, as a "waste of time." In a brief press conference on the second stop on his western tour, Mr. Drew said all essential data seemed to have been assembled and that the most important thing now was "determining the principle on which adjustment must be made of rates."

The leader of the opposition said that the royal commission was a waste of time. Still his party in convention passed a resolution in which they asked for that very thing. That is not the first time that the leader of the opposition has been in disagreement with

certain of his members. Neither is it the first time that the hon. member for Lake Centre is not in agreement with his own leader. The leader of the opposition states that a royal commission is a waste of time but his party supports an investigation of freight rates. It is well known by all who have given any attention to the matter that the board of transport commissioners have no power of themselves to deal with discrimination affecting geographic, economic and industrial conditions. That is the very essence of the case for the provinces. Their whole brief was based on this argument. It has been held time and again that our rate-regulating commission has no right whatever to attempt to equalize geographic, climatic or economic conditions. They are simply and wholly concerned with questions having to do with the reasonableness of rates or tolls.

Mr. Diefenbaker: Who has the power?

Mr. Chevrier: The only conclusion I can come to is that the language used by the leader of the opposition and the hon. member for Lake Centre is—

Mr. Diefenbaker: Who has the power?

Mr. Chevrier: Just a moment. I did not interrupt the hon. member when he made his speech, when he waxed so indignant. Let him allow me to carry on because there are a number of things that have not been said that need to be said.

Mr. Diefenbaker: It is a question that you cannot answer.

Mr. Chevrier: There are a number of things that have been said by the leader of the opposition about the board that I do not think should be said by the leader of any party. Be that as it may, the only conclusion I can come to is that the leader of the opposition and the hon. member for Lake Centre are careless in their language and in the attacks they make. In any event, if they are not careless in their language and in their attacks they are certainly careless about the method in which they think this matter can be disposed of. If the leader of the opposition is correct in moving his amendment to reduce the item of the board of transport commissioners to $1, let me ask, how does that in any way solve the problem? What is the policy of the members of the opposition? I should like to know what it is.

An hon. Member: They haven't any.

Mr. Chevrier: Of course they haven't, and what is more they do not agree with each other. It is evident that the speech made by the hon. member for Lake Centre does not agree at all with that made by the leader of the opposition. Anybody who listened to it, or who reads *Hansard*, can come to no other conclusion. They have no policy. Of course they have no policy and they will not have any policy. I do not say that because I think it is all right to make destructive criticism as was done by the leader of the opposition and by the hon. member for Lake Centre, with whom I should like to deal for a moment. He said that the latest decision will accentuate and increase the discrimination. That was the important statement made by the hon. member for Lake Centre. Of course if discrimination exists it is bound to be accentuated by an increase in freight rates. I do not think there can be any doubt about that.

Then he went on to say—and listen to this—that there must of necessity be an increase in rates because of the increase in wage rates and costs generally. He says that nobody will find fault with that but he insisted that the increase be held up pending the disappearance of the discrimination. How logical is that argument? If it were to be followed to its logical conclusion what would happen? The railways would never get the money with which to pay increased wage rates, increased material costs and increases in other expenses which must be met. The point boils down to this. You cannot have an increase in wages and a reduction in freight rates. It simply cannot be done.

Mr. Diefenbaker: You could remove the discrimination.

Mr. Chevrier: I will deal with that in a moment. Yes, you can have a removal of discrimination. True, you can have a removal of discrimination if it exists; but my hon. friend did not put one tittle of evidence on the record to indicate that there was discrimination. The hon. member for Rosetown-Biggar did, and I want to deal with the example he gave.

Mr. Diefenbaker: I put Mr. Garson's statement on the record.

Mr. Chevrier: Yes, you called the Minister of Justice as a witness just as I called the leader of the opposition as a witness. The leader of the opposition became interested in freight rates after he became leader of his party. Until then we never heard about it from the leader of the opposition.

Mr. Drew: That is nonsense.

Mr. Chevrier: I hope the hon. member will not distract me any longer because I should really like to deal with his argument. He took it for granted, as many others take it for granted, that there is discrimination. Yes there is, but to what extent? While it

is true that freight rates in Ontario and Quebec are generally lower than those in the maritimes and on the prairies, and on the Pacific coast they are somewhat lower than on the prairies, there has been no evidence since the case of 1927 to indicate wherein that discrimination lies. I wish the hon. member had put more evidence on the record than he did. He did talk about the Crowsnest pass rates. He was very careful not to say that they had been suspended by a Conservative administration and that they had been raised during the time of a Conservativ regime. He said that every member in the house should raise his voice and insist that the Crowsnest rates should never be touched. I ask you how then are you ever going to get revenue for the railways if freight rates are not going to go up?

There are only two ways in which it can be done. One is to amend the Crowsnest pass rates, and I know what would happen if any attempt were made to do that. I do not think there is any intention of doing so. Not only is there no intention but I personally would oppose it. The only alternative by which you can get revenue for the railways is to increase the rates on other commodities. I have made that clear on more than one occasion, and I think it is the only way. Then the hon. member for Lake Centre said, "What should our attitude be?" He went on to support the amendment of the leader of the opposition that item 524 be reduced to $1. That does not deal with the problem. The problem is an important one, and no one realizes more than I do—and not in any cavalier fashion such as the hon. member for Lake Centre attributed to me—how important this question is not only economically but geographically and politically. That is why I have attempted to approach it from a constructive point of view.

Before concluding I should like to deal with one or two matters arising from the statements made by the hon. member for Rosetown-Biggar and the hon. member for Lethbridge. They said that the rate on 100 pounds of petroleum from Regina to Indian Head was 26 cents, while the rate in Quebec for the same product and the same distance was 10 cents and in Ontario 9½ cents. That statement is not in accordance with the facts.

Mr. Coldwell: I took it right out of the evidence given before the board of transport commissioners, and it was not disputed.

Mr. Chevrier: I am disputing it now.

Mr. Coldwell: It was not disputed before the judicial body.

Mr. Chevrier: I am disputing it, and I shall explain it. The 26 cent rate from Regina to Indian Head, a distance of 47 miles, is the normal rate which will become effective on June 16 next if these increases go into effect. The normal rate from Sarnia or Montreal for a similar distance will be 31 cents. However, an agreed charge from Sarnia and Montreal, to meet highway and water competition, of 8½ cents and 9½ cents respectively has been put into effect. A similar agreed charge exists in Alberta; and that charge, for the information of the hon. member for Lethbridge, from Calgary, Edmonton and Lloydminster is 10½ cents, and is also to meet highway competition. So the rate is not 16 cents lower on that commodity in eastern Canada than in western Canada, but only 1 cent or 1½ cents.

A condition of the agreed charge is that the industry entering into it with the railway undertakes to give the railway all its traffic. No such agreed charge is in effect at Regina. There is nothing to prevent those interested in arranging an agreed charge with the railway, but I am told the reason it has not been done is that it is the intention to give a certain amount of the traffic to motor transport. Well, if that is the case certainly this cannot be used as an effective example of unjust discrimination, because I submit with deference that it is not.

Then the leader of the C.C.F. party said that now, when the western provinces apparently are faced with a decreased selling price for wheat, freight rates should not be increased. But these increases, the 20 per cent case and the 30 per cent case, do not apply to grain rates and were never intended to apply to them.

Mr. Coldwell: But they apply to the machines and materials that enter into the cost of production. That is what I meant.

Mr. Chevrier: But that is not what the hon. member said. I say to the hon. member that freight rates on grain and grain products have not been increased since 1897 except as already stated. As a matter of fact those two decisions exempt grain products, whether going to the east by way of Fort William and Armstrong or to the west by way of Vancouver and Prince Rupert; and the hon. gentleman well knows the position in reference to the Crowsnest rate.

There are other matters with which I would like to deal, but let me summarize the position in this way. The amendment of the leader of the opposition will accomplish nothing. It does not begin to meet the problem. I submit that the problem can only be met, first by the investigation being conducted by the board of transport commissioners with the object of

equalizing rates where there is unjust discrimination, and second, by the findings of the royal commission. I think the committee should be reminded that discrimination exists in many parts of Canada. I do not think that can be denied; it has always been the case. It is unfair or unjust discrimination with which the board seeks to deal. The other method adopted by the government to meet this problem was the appointment of a royal commission on transportation to which terms of reference were assigned so that it might report and advise the government on these matters. Meanwhile the provinces have filed a petition. The government will hear that petition and give it the same careful consideration that was given an earlier petition.

I have not given any thought to the question of whether or not the subamendment is in order, but I submit that neither the amendment nor the subamendment, nor both together, could begin to solve the problem. This difficulty will not be overcome by moving an amendment of that sort and putting the board of transport commissioners out of existence. Of all the groups or organizations in Canada that might deal with the freight rate structure of our country, I believe the board of transport commissioners is the one to do it, because that board has the experience and knowledge. It has been said they have not the staff, but that is not so; they have the staff. In the first place they have a traffic department composed of some twenty experts. They have a bureau of transportation economics composed of some forty men, and in all they have some 130 people who are familiar with this whole subject.

I consider this amendment and the subamendment in the nature of a vote of want of confidence; and even if they were to carry—I know they will not, but if perchance they should—we would not have a solution to the problem. I say the only way to meet the difficulties facing us at the moment is the manner adopted by the government, first by directing the board to equalize the rate structure, and second by setting up the royal commission to advise the government on matters of policy. The attitude adopted by hon. gentlemen opposite is both critical and destructive, and would not begin to meet the problem in any way.

Mr. Low: Mr. Chairman, I would not—

Mr. Cote (Matapedia-Matane): Anticlimax.

Mr. Low: The anticlimax came when the vote was taken on the motion of the hon. member.

Mr. Murray (Cariboo): Mr. Chairman, I speak for the Peace river country of British Columbia, and even before the minister spoke I rose to put forward the case for my people.

The Deputy Chairman: The hon. member for Peace River tried to get the floor even before the hon. member for Bow River spoke this afternoon. Therefore in all fairness I think I should recognize him now.

Mr. Low: Thank you very much, Mr. Chairman. Certainly I do not wish to keep the hon. member for Cariboo from expressing his opinion on this matter. As a matter of fact I think every hon. member of this house should recognize the importance of this problem and have something to say about it.

Now, Mr. Chairman, the minister who just finished speaking began his address this evening in rather moderate tones. He proceeded to characterize the various speeches that had been made up to that time when he introduced his rebuttal. He classified them in this way; the boldest speech was made by the leader of the opposition; the mildest speech by the leader of the C.C.F. and his colleague from Cape Breton South; the most indignant speech by the member for Lake Centre; and the loudest speech by the member for Lethbridge. It is always wise for people who begin to classify contributions of others to take a little care with their own. Frankly, I would classify the minister's speech as the loudest of the day, the most excited, the most strident, the most raucous, and the most evasive. As a matter of fact, I was surprised that he allowed himself to be carried away by the sound of his own voice. At various stages of his address, he reminded me a great deal of a minister who had to yell like hell when his argument was weak.

I would not speak in this debate, Mr. Chairman, if I did not have a different approach from those who have spoken thus far. In the course of the case which I shall present I do not intend to vilify anybody, to castigate the board of transport commissioners, or set myself up as the arbiter of the freight rate structure of this country. I do have a suggestion to make, and I hope it will be received in the spirit in which it is given. It is a constructive approach, and something that has not yet been brought to the attention of this house.

Before I launch into it, Mr. Chairman, I should like to say that during the course of the minister's address he said that no evidence since a certain date, I think it was 1925 or 1923, had been brought to show where discrimination lies. I believe he was speaking of the statement made by the member for Lake Centre that there was discrimination in Canada. It depends, of course, on how you

define discrimination. I am all too aware of the way that the board of transport commissioners, and of course the Minister of Transport, define discrimination. They take the position that there is no discrimination unless some individual considers himself to be aggrieved, or unless the railways charge someone in a certain region a rate that is different from that which they would charge some other person in the same region for the same haul.

Mr. Chevrier: Will the hon. member allow an interruption?

Mr. Low: Yes.

Mr. Chevrier: I merely wanted to say that the Railway Act defines discrimination, and the board is bound by what is set out in the act.

Mr. Low: That is very good, and it falls right in with the case I want to present. There is discrimination as between region and region in this country, and the minister knows that such discrimination exists. Furthermore, he knows that the examples that were produced today by my colleague the member for Lethbridge were bona fide examples of discrimination as between region and region. I know full well that when the minister says the board of transport commissioners is not charged with the responsibility, at the moment, of removing regional discrimination, he speaks the truth. He says that all the board can do is to remove unjust discrimination, and that is true. The complaint we have, Mr. Chairman, is that the board of transport commissioners have not been given a directive from this government to remove regional discrimination, as well as unjust discrimination between persons within a region. It is that case I want to present when I start in earnest with my presentation.

It is so near eleven o'clock, Mr. Chairman, that I would not like to launch into the argument I wish to present, and then break it off in a minute or two. I wish you would allow me to adjourn the debate.

Item stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Mr. Speaker, on Monday at eleven o'clock we shall take up the following small bills: Bill No. 252, to amend the Canadian Wheat Board Act, 1935; Bill No. 263, to amend the Electricity Inspection Act, 1928; Bill No. 264, to amend the Gas Inspection Act; and perhaps Bill No. 135, if time is left.

At three o'clock we shall ask to revert to motions, and the Secretary of State for External Affairs will make a statement on the conference held in London by the ministers of the nations signatory to the Atlantic pact. We shall then move to go into supply, and I understand there will be a discussion of external affairs. When this motion is carried, we shall call one item of the secretary of state to stand, and we shall proceed with the estimates of veterans affairs.

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

HOUSE OF COMMONS

Monday, June 5, 1950

The house met at eleven o'clock.

WHEAT BOARD

REFERENCE TO AGRICULTURE COMMITTEE REPORT FOR CROP YEAR 1948-49

Right Hon. C. D. Howe (Minister of Trade and Commerce) moved:

That the report of the Canadian wheat board for the crop year 1948-49, tabled in the house on Tuesday, February 21, 1950, be referred to the standing committee on agriculture and colonization.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

FERRY SERVICE BETWEEN YARMOUTH, N. S., AND STATE OF MAINE

Mr. Kirk (Digby-Yarmouth):

1. What is the present status of the arrangements between the federal government and the government of Nova Scotia concerning the provision of a ferry service between Yarmouth, Nova Scotia, and a port in Maine, United States of America?
2. Was a conference of representatives of the two governments recently held? If so, on what date?
3. Were ports in Nova Scotia other than Yarmouth again given consideration?
4. What port in Maine has been selected?
5. Has any formal financial agreement between the two governments been signed?
6. Will the ferry be designed so as to permit the carrying of large refrigerator and trailer trucks and passenger busses?
7. When is it now expected that the details and plans will be completed?
8. What is the estimated length of time required for the construction of the ship after contract is let?
9. Is it expected that the service will be in operation in 1951?

Mr. Chevrier:

1. Studies proceeding, but decisions not yet reached.

2. Yes; May 10, 1950.

3. Yes. Various ports in western Nova Scotia were again given consideration.

4. Not yet determined.

5. No.

6. This is being given full consideration.

7. No definite date can be given at this stage. Present schedule calls for completion within two months.

8. Estimated twelve to fourteen months, depending on type of propulsion unit chosen.

9. Every effort will be made to place the vessel in operation in 1951, but delays in building and delivery of material may prevent the operation of the vessel until the opening of the 1952 season.

WAR PENSIONS—WIDOWS OR DEPENDENTS OF VETERANS WHO COMMITTED SUICIDE

Mr. Murphy:

1. How many applications for pension have been made by widows or dependents of veterans of the last war who committed suicide during the war?
2. How many applications for pension have been made by widows or dependents of veterans of the last war who have since committed suicide?
3. How many widows or dependents of veterans of the last war, who committed suicide either during or since the war, have or are receiving a pension?
4. How many of the applications have been granted?
5. How many have been refused?
6. How many are still under consideration?

Mr. Gregg: Mr. Speaker, the hon. member for Lambton West and I had a discussion about this question. In view of the fact that we are undertaking to give him all the information available, I think the hon. member has agreed that, in its present form at any rate, the question should be dropped.

Mr. Speaker: Dropped.

COLD STORAGE PLANTS IN NEWFOUNDLAND

Mr. Browne (St. John's West):

1. Have any cold storages been established in Newfoundland since April 1, 1949?
2. If so, where are they located?

Mr. McCubbin:

1. No cold storages have been constructed under subsidy contract with the Department of Agriculture in Newfoundland since April 1, 1949.

2. See answer to No. 1.

POTATOES—NEWFOUNDLAND

Mr. Browne (St. John's West):

Are there any restrictions against the movement of potatoes for seed, or any other purpose, from the province of Newfoundland to any other province?

Mr. McCubbin: Yes; because of the prevalence of wart disease, the movement of potatoes for seed or other purposes from Newfoundland to any other province of Canada is prohibited under the Destructive Insect and Pest Act and regulations.

Questions

UNEMPLOYMENT INSURANCE—JOLIETTE, QUE., OFFICE

Mr. Balcer:

What amounts of unemployment insurance benefits have been paid each month since January, 1948, by the office at Joliette, Quebec?

Mr. Mitchell:

1948	
January	$24,857.36
February	35,059.96
March	38,886.75
April	40,024.25
May	28,321.55
June	16,714.20
July	10,446.05
August	8,507.55
September	6,839.40
October	5,749.50
November	8,618.40
December	12,801.75
1949	
January	$27,372.11
February	33,473.95
March	50,277.40
April	39,301.58
May	26,676.00
June	24,070.95
July	18,535.20
August	15,642.95
September	18,721.55
October	19,727.55
November	23,921.00
December	32,147.50
1950	
January	$67,855.55
February	70,742.45
March	83,393.05
April	59,015.40

MOVEMENT OF NEWFOUNDLAND FARMERS TO OTTAWA DISTRICT

Mr. Higgins:

1. Has the matter of moving farmers out of Newfoundland to Ottawa district farms been discussed?
2. If so, has a decision been reached?

Mr. Mitchell:

1. Yes.

2. A group of workers have been moved from Newfoundland and placed in employment on farms in the Ottawa district.

FEED GRAIN—TRANSPORT BY TRUCK—APPLICATION OF FREIGHT SUBSIDY

Mr. Fair:

Has a recent order been passed which has the effect of denying to farmers who use trucking service to transport feed grain from lake ports to their farms or feed lots the freight subsidy now paid to railroads?

Mr. McCubbin: No. From the inception of the freight assistance program in October, 1941, down to the present time, freight assistance on feed grain has applied only to carloads, or equivalent shipments by water, delivered to distribution points. Truck movement, if any, has always been regarded as a part of local distribution cost and has not been paid for by the government.

[Mr. McCubbin.]

VETERANS AFFAIRS—CLAIM OF STE. SOPHIE AGRICULTURAL SOCIETY AGAINST JACK COOPER

Mr. Bertrand:

1. Has the Department of Veterans Affairs reached a decision with respect to the claim made by the Ste. Sophie Agricultural Co-operative Society for mill feeds, fertilizer and other goods advanced to Jack Cooper, a veteran?
2. If so, what decision has been reached?
3. Has the Department of Justice been asked to give a legal opinion on this matter?

Mr. Gregg:

1. Yes.

2. The crown is not legally liable with regard to the claim made by the Ste. Sophie Agricultural Co-operative Society.

3. Yes.

QUESTION PASSED AS ORDER FOR RETURN

OFFICIAL SECRETS ACT—GOVERNMENT EMPLOYEES DISCHARGED OR RELEASED

Mr. Fulton:

1. In each department or branch of government or board or corporation set up by the government, how many employees, if any, have been discharged or been in any way released for reasons having to do with security?
2. What was the effective date in each such case?
3. What were the position and duties of each such employee at the time of his discharge or release?

MOTIONS FOR PAPERS

RED RIVER VALLEY—RECOMMENDATIONS BY INTERNATIONAL JOINT COMMISSION

Mr. Diefenbaker:

For a copy of all correspondence since the 15th day of January, 1948, and to date, between the international joint commission and the government of Canada relative to suggestions and recommendations as to means or methods or public works to be undertaken to prevent a repetition of the flood on the Red river of 1948.

Mr. Pearson: I have had a word with the hon. member for Lake Centre about this motion, and have informed him that all the information asked for was tabled by my colleague, the Minister of National Defence (Mr. Claxton), on May 25 last. In the circumstances I hope he will allow this motion to be dropped.

Mr. Speaker: Dropped.

SYDNEY HARBOUR DISTRICT—SUPERINTENDENT OF PILOTS

Mr. MacLean (Cape Breton North and Victoria):

For a copy of all correspondence from March 1950, to date, in connection with the matter of appointing a superintendent of pilots for the Sydney harbour district.

METEOROLOGY

APPROVAL OF CONVENTION OF WORLD METEOROLOGICAL ORGANIZATION SIGNED AT WASHINGTON OCTOBER 11, 1947

Hon. Lionel Chevrier (Minister of Transport) moved:

That it is expedient that the houses of parliament do approve the convention of the world meteorological organization signed at Washington on October 11, 1947, and tabled on February 14, 1949, and that this house do approve the same.

He said: The object of this resolution is manifold: First, to facilitate world-wide co-operation in the establishment of networks of stations for the making of meteorological observations; second, to promote the establishment of systems for the rapid exchange of information; third, to promote the standardization of meteorological observations; fourth, to further the application of meteorology to aviation, shipping and agriculture; and, finally, to encourage research.

Because of the rapid progress of aviation and the universal interest in meteorology, it is becoming increasingly important to achieve world-wide co-ordination of weather services. It was decided at two international meetings held at Toronto and Washington to recommend the establishment of a world meteorological organization. It is a specialized agency of the United Nations. The cost to Canada will not be extensive, being in the neighbourhood of $3,000 or $4,000.

We have an excellent network of observation stations throughout the various regions of Canada, and we co-operate with the United States, with whom we operate joint weather stations in the north. There are a number of weather stations on the north Atlantic as well as on the Pacific.

The convention has been signed by forty states, and will come into effect when there are thirty ratifications. It is hoped that parliament will accept this convention. The following countries have deposited instruments of ratification: Australia, Burma, Czechoslovakia, Dominican republic, Norway, Peru, The Philippines, Sweden, and a number of others.

I recommend the formal adoption of the convention of the world meteorological organization.

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, it may not be necessary to debate this resolution at any length, but no notice was given on Friday that it would be up for consideration by the house today. Therefore I would move the adjournment of the debate. I would ask the minister to have distributed to hon. members copies of this convention, which apparently was tabled over a year ago.

Mr. Chevrier: It was tabled and distributed to hon. members.

Mr. Green: That was over a year ago, and many of us do not have copies.

Mr. Chevrier: I do not think there would be any difficulty in obtaining them from the distribution office. I have no objection to an adjournment of the debate.

Motion (Mr. Green) agreed to and debate adjourned.

EXTERNAL AFFAIRS

PRESS REPORT AS TO TREATMENT OF MR. AND MRS. TREMEWEN, OF MONTREAL, AT MEXICAN BORDER

On the orders of the day:

Mr. Gordon Graydon (Peel): Mr. Speaker, a news item from Montreal which appeared in the press last week indicated that two residents of Montreal, Mr. and Mrs. Vern Tremewen, had had difficulties with the authorities in Mexico and had been lodged in jail, Mr. Tremewen having been badly beaten while in custody. I understood that these people were Australian citizens and perhaps would be making a plea through the United Kingdom authorities in Mexico, but yesterday and the day before the radio referred to them as Canadian citizens. Would the minister of external affairs care to clear up the matter, so we may know the exact situation?

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, I shall be very glad to say what I can to clear this matter up, as there seems to be some misunderstanding about it. When I read the reports in the press I asked for a report on the incident. My information is that Mr. and Mrs. Tremewen are Australian citizens. They are now living in Montreal, but have not yet acquired Canadian citizenship. Therefore when Mr. and Mrs. Tremewen got into difficulties with the Mexican authorities, they asked for the intervention, through the Australian high commissioner in Canada, of the United Kingdom representative in Mexico. I believe it is the custom, when a nation of the commonwealth has not its own representative in a foreign country, to use the United Kingdom representative in that country. The

intervention of the United Kingdom representative was, I believe, speedy and effective, and the Australian citizens in question were quickly released. If they had been Canadian nationals it would have been our duty to intervene. If as Australians they had asked for the intervention of the Canadian ambassador in Mexico we should have been very glad to put him at their service, but they took the other and the normal course.

HOUSING

PROSECUTIONS UNDER WARTIME LEASEHOLD REGULATIONS—MRS. BESSIE ELLIS-REID

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): I should like to direct a question to the Minister of Finance. I did not give him notice, but I am sure the matter came to his attention. It has to do with the imprisonment of Mrs. Bessie Ellis-Reid, of Ottawa, on two charges of violation of wartime prices and trade board regulations. I read the report in the press on Saturday and made some investigation myself. It would appear that there was unnecessary harshness in the imprisonment meted out to her. I should like to ask the minister if he is in a position to report on the matter.

Hon. Douglas Abbott (Minister of Finance): Yes; I saw the newspaper report in question, and at once had inquiries made as to what the circumstances were. I have received a report from the secretary of the wartime prices and trade board, which, as the house is aware, is charged with the responsibility of enforcing the rental regulations. The Mrs. Ellis-Reid referred to in the newspaper article, who resides at 264 Gladstone avenue, Ottawa, was charged under the wartime leasehold regulations with renting one unit of housing accommodation which had a basic date rental of $10 per month at $15.40 per month, an increase of some fifty per cent, and another unit which had a basic date rental of $14 per month, which was increased to $17 per month. Both properties are located in Shawville.

Leave to prosecute was issued on February 10 last, and the Department of Justice appointed Mr. J. O. Laflamme to act for the board. Mr. Ste. Marie, of Hull, counsel for Mrs. Ellis-Reid, requested two adjournments, which were granted, and on May 17 the case came to trial. At the outset of the proceedings Mr. Ste. Marie asked to be relieved of his duties, and this was granted by His Honour Judge Millar. Mrs. Ellis-Reid handled her own case and pleaded not guilty to both charges. At the conclusion the court found her guilty on both charges and sentenced her to a fine of $5 and costs or eight days on each charge.

[Mr. Pearson.]

Mr. Diefenbaker: What were the costs?

Mr. Abbott: They have not yet been determined. I am coming to that later. In a telephone conversation with Mr. Lemire, the clerk of the court, the secretary of the wartime prices and trade board was advised that Mrs. Ellis-Reid definitely refused to pay the fine and costs and emphasized that the lawyer was crooked, that the judge was crooked and that she only had $8 in the bank. At this point, Mr. Lemire, the clerk of the court, offered to consult with the judge with a view to granting time within which to pay the fine and costs. However, Mrs. Ellis-Reid definitely declared that she would never pay one dime to the court. Mr. Lemire advised her that the only alternative was to serve sixteen days in jail, and Mrs. Ellis-Reid said that was what she intended to do. She was imprisoned on May 17, and was released upon serving fourteen days in jail, two days apparently having been allowed for good behaviour.

I am informed by the enforcement counsel of the board that he has had several telephone conversations with Mrs. Ellis-Reid, and that she is an extremely difficult person to deal with.

As to the question of costs, the board has not received a final report from its counsel, owing to the fact that he is waiting for an account from the clerk of the court covering court costs in this prosecution. Since the alternate jail term was served by Mrs. Ellis-Reid, the board of course will be liable for such costs as are assessed by the court.

Mr. Diefenbaker: The minister says he has not the information as to the costs. I ask him to table the record of the conviction and the evidence in these cases, as well as the judgment; because my information is that the costs were $196.

Mr. Abbott: I am told the costs were high, but I have not that figure as yet. As to the tabling of the record of the conviction and the evidence, if that is in accordance with the rules of the house I shall be glad to do so.

AIRPORTS

NOVA SCOTIA—EASTERN PASSAGE—HALIFAX AREA

On the orders of the day:

Mr. Clarence Gillis (Cape Breton South): I should like to direct a question to the Minister of Trade and Commerce. Has the minister's department reached any decision on the matter of expanding the Eastern Passage defence airport to accommodate larger aircraft? Has the question of a new airport for the Halifax area been discussed? If so, has any decision been arrived at?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I suggest that question should be directed to my colleague, the Minister of Transport (Mr. Chevrier).

Mr. Lionel Chevrier (Minister of Transport): If the hon. member for Cape Breton South is referring to the Dartmouth airport—I am not sure from the wording of the question handed to me by my colleague—that is a matter which would necessarily come under the Department of National Defence, and I would not be able to answer the first question. With reference to the second question, whether or not a new airport for the Halifax area has been discussed, I can say to him that no recent discussions have taken place.

CANADIAN NATIONAL RAILWAYS

NEWFOUNDLAND HOTEL, ST. JOHN'S—WAGES OF EMPLOYEES

On the orders of the day:

Hon. Lionel Chevrier (Minister of Transport): Mr. Speaker, on Friday last the hon. member for St. John's West (Mr. Browne) asked whether any consideration had been given to placing the employees of the Newfoundland hotel, St. John's, Newfoundland, on the same rates of wages as those paid in other Canadian National Railway operated hotels; if so, when will the new rates come into effect, and will they be retroactive to October 1, 1949. The answer is that if and when the Newfoundland hotel is entrusted to the Canadian National Railways, negotiations will be entered into with the authorized representatives of the employees of the Newfoundland hotel for the purpose of reaching an agreement as to wages and working conditions.

Mr. Browne (St. John's West): Who is in charge of the hotel at the present time if not the Canadian National Railways?

Mr. Chevrier: Negotiations are being carried on between the government of Newfoundland and the federal government through Canadian National Railway officials. Until those negotiations are completed it will be impossible to deal with the matter referred to by my hon. friend.

Mr. Browne (St. John's West): That is not the question I asked the minister. I asked him who is in charge of the hotel at the present time.

Mr. Chevrier: I cannot answer in any other way than to say that the government of Newfoundland has asked the government of Canada to take it over, and the government of Canada is negotiating with the government of Newfoundland through Canadian National Railways.

COAL

SUPPLY FOR NEW BRUNSWICK PUBLIC BUILDINGS

On the orders of the day:

Mr. A. J. Brooks (Royal): Mr. Speaker, I should like to direct a question to the Minister of Public Works. It is based on a complaint from certain New Brunswick coal producers that, according to reports, all tenders for supplying coal to public buildings in New Brunswick stipulate Nova Scotia coal. Is the report correct, and if so, will the minister reconsider the desirability of allowing New Brunswick coal to have the preference in these tenders, particularly since it was used last year in practically all New Brunswick buildings without complaint?

Hon. Alphonse Fournier (Minister of Public Works): Mr. Speaker, before I came in the house I was handed a copy of this question.

Mr. Brooks: I sent it on Saturday.

Mr. Fournier (Hull): I missed it on Saturday and I caught it today. I have been handed all the details as to procedure in the tenders. I see there is a notice for tenders for coal for the maritime provinces. One paragraph reads:

> Tenders should be made on the forms supplied by the department and in accordance with departmental specifications and conditions attached thereto.

I have tried to read the general specifications, and I cannot see any limitation in that part of the tender. Further on there is a sheet annexed which is sent to those who wish to tender. It gives a list of all the areas where coal is needed in the maritimes. It is headed by this note:

> Do not write your quotations on the present list. It is not a tender form but merely a guide to help you select the name(s) of the town(s) where you may wish to supply coal.

These things are always complicated in my department, however, and I see further on that in New Brunswick they give the names of the towns and the quantities, and I think they even mention mines, but I do not see any mention of the Minto mine. If that is what is implied by this document, I shall give instructions today that tenders may be received from the New Brunswick mines. I cannot say that they will get any preference of course, because they would have to supply the best quality, and so forth, in order to get the contract; but I can have those instructions sent out in half an hour or so.

CANADIAN MARITIME COMMISSION

INQUIRY AS TO TABLING OF ANNUAL REPORT

On the orders of the day:

Mr. Howard C. Green (Vancouver-Quadra): Can the Minister of Transport say when the

annual report of the Canadian maritime commission will be tabled?

Hon. Lionel Chevrier (Minister of Transport): I am not sure when the Canadian maritime commission will be presenting their annual report. An extensive report was prepared and tabled last November or December, toward the end of last session.

Mr. Green: I believe they have three months from March 31 within which to make a report to the minister, so I should think they would have to file it with him before the end of the present month. I am wondering if we shall be able to get it before the end of June.

Mr. Chevrier: I shall have to make inquiries and let my hon. friend know.

FLOOD CONDITIONS

SOUTHERN MANITOBA—SOFTBALL GAME ON PARLIAMENT HILL IN AID OF RELIEF FUND

On the orders of the day:

Mr. Daniel McIvor (Fort William): Mr. Speaker, on behalf of the treasurer of the Manitoba flood relief fund for this building I should like to announce that we hope to increase our donation as the result of a softball game to be played in front of the centre block at 6.45 on Thursday evening. The two teams will be composed of the youths of the House of Commons and the experienced team from the press gallery. The honorary battery will be our two Victoria Cross men, and the first batter will be the Speaker of the house. We hope the collection will be taken up by a lady from the Senate and a lady from the House of Commons, though we are not sure of that yet; and we trust that we shall have a silent but heavy donation to the fund. The teams will be led to the field by an hon. senator playing your—I will say our—beloved bagpipes. We ask your hearty co-operation.

INQUIRY FOR RETURN

PUBLIC SERVICE—TRAVELLING AND LIVING EXPENSES

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): I again bring to the attention of the Secretary of State the fact that some six weeks have gone by since this house passed, as orders for returns, two questions standing in my name relating to travelling expenses of members of the public service for 1949. Is the minister in a position to give me any hope at all that this return will be brought down?

Hon. F. G. Bradley (Secretary of State): I have done my best to hurry the preparation of the answers to these questions, but I find that in some of the departments the work is exceedingly complicated, and up to the present I have had no report from two departments. I am trying to get the returns as quickly as possible. I shall make a further effort to expedite them.

Mr. Graydon: Which departments are in default?

Mr. Bradley: I could not be sure at the moment.

CANADIAN WHEAT BOARD ACT

AMENDMENTS RESPECTING CONTROL OF ELEVATORS AND RAILWAYS, ETC.

Right Hon. C. D. Howe (Minister of Trade and Commerce) moved the second reading of Bill No. 252, to amend the Canadian Wheat Board Act, 1935.

Mr. J. A. Ross (Souris): Mr. Speaker, I desire to offer a few remarks on this bill. As you know, this is the outcome of an experiment we have been conducting for the past four or five years. Since the summer of 1946 the wheat agreement between the United Kingdom and Canada has been debated in this house on various occasions; and in order to clarify some of the statements that have been made I should like to point out that the agreement was first announced in this house on July 25, 1946, by the then minister of trade and commerce. On July 30, 1946, speaking of that agreement, at page 4037 of *Hansard* the minister said:

> There is no question that the wheat producers have made possible the success of domestic price control by immediate sacrifices in their 1945-46 and current export prices. These sacrifices have also assisted in overseas rehabilitation. The government is convinced that the outlined policy will give fair and comparatively stable returns to the producers, so far as it is within the power of the government.

There, I think, we have the nucleus of the whole control system from that time on as far as prices to consumers in this country were concerned, and to a large extent as far as prices to consumers in Great Britain were concerned.

Later another measure was introduced having to do with agricultural support prices, and so on. It was the Minister of Agriculture (Mr. Gardiner) who negotiated this agreement on behalf of the then minister of trade and commerce, and he was given full credit for it at that time. Several times since then the Minister of Agriculture has indicated that the prices of other agricultural products were more or less determined on the basis of the price of wheat, which has been controlled and is still controlled.

As I have said on other occasions, there was no opportunity to debate that announcement at that time. It was put through by

order in council; and when the leader of the opposition at that time asked when it might be debated, the reply of the then minister of trade and commerce was that on his estimates, which were still to come before the house, there would be an opportunity to discuss the contract. It was discussed to a certain extent later that year, in the following month, and I am going to quote what the Minister of Agriculture had to say on August 14, as it appears at page 4810 of *Hansard*:

When we are at the end of the four-year period, if in the last six or twelve months we find ourselves in the position that world markets, so-called, are not offering as much for wheat as we are getting for it, I hope people will still stand behind us to the extent they are standing behind us now. Even if wheat stays above $1.55 during the whole period, I hope people will still feel that it was worth while trying. If we are successful in this experiment, then we can talk to the grain trade people with some assurance. If they are able to show us at the end of the five-year period that we were all wrong, that over the length of time the farmer got less than he ever got before under similar circumstances and that the other system would have brought him more, then we shall be in a position to discuss the matter with them on an even footing. I am sure anyone who has taken this position and finds himself wrong will be quite prepared to discuss it from that point of view. In the meantime we are convinced that this is the best thing for the farmer. As long as we are convinced of that, and having another four years in which to try it out, we can put the policy into effect in a way that will at least help us to determine how this long argument between farmer and grain trade in western Canada ought to be settled in the interests of the great masses of the people.

On August 15, 1946, at page 4848, the minister put on the record in detail the terms of this contract. In one of the paragraphs there is this statement:

In determining the prices for these two crop years, 1948-49 and 1949-50, the United Kingdom government will have regard to any difference between the prices paid under this agreement in the 1946-47 and 1947-48 crop years and the world prices for wheat in the 1946-47 and 1947-48 crop years.

That is termed the "have regard to" clause, and is significant. In the same contract it was set forth that the United Kingdom might resell any of this wheat or flour to any country at any price they desired. The entire agreement is there; anyone who wishes to refer to it may do so.

Since that time the Minister of Agriculture has on various occasions said there has not been a world price for wheat. The hon. member for Calgary West (Mr. Smith) and I pinned the Minister of Agriculture down during the course of a debate, and he and the then minister of trade and commerce admitted that the Canadian wheat board, in arriving at the Canadian price for class II wheat, used the American grain exchange as a yardstick, along with other factors. The admission can be found in *Hansard*. I believe everyone in the grain trade throughout the world, as well as those holding official positions, recognize that the price for class II wheat is the world price.

I have recited the argument of the Minister of Agriculture that this was an experiment for four or five years. Certainly it is explicit in his argument that on behalf of this government he was taking a long gamble in assuming that at the end of the contract period the bottom would have fallen out of the wheat market and Britain would have to pay more under that contract than the prevailing world price. As I have stated before, no one in the world ever took as long a gamble in selling wheat as was done under that contract, because the government contracted to sell 600 million bushels of wheat over a four-year period, and the greater part of the wheat had not even been seeded. You talk about the grain exchange! I am not saying anything in favour of the grain exchange, because I have always argued in favour of the Canadian wheat board. But I do believe we should be fair, and listen to all the arguments on both sides.

The very opposite to what the Minister of Agriculture set forth in his argument at that time has happened. He said that if wheat were selling for much less than the contract price after the war, he hoped we would stand behind the contract. Since then there has not been a day when the world price for wheat has not been considerably above the contract price. I am sure that on July 31 of this year, when the contract ends, the wheat producers of Canada will have suffered a loss amounting to many hundreds of millions of dollars. They have not only lost money on the 600 million bushels sent to Britain, but for some years the price of wheat made into flour in Canada was tied to that price. Roughly there is about 70 million bushels of wheat annually used that way in this nation. The price for that 70 million bushels of wheat bore a relationship to that contract, so that over these years the farmers have suffered a loss in subsidizing the consumers of Britain and Canada. I do not wish to labour this point, but there are many new members of this house who are not conversant with the contract and with the debates which took place at that time.

On May 30 of this year, when the Minister of Trade and Commerce returned from discussing this situation in Britain, he made a statement. I asked him this question, which appears at page 2985 of *Hansard:*

Mr. Speaker, may I ask the minister if at this conference a basis of settlement under the "have regard to" clause was discussed for the great loss suffered by Canadian wheat producers as a result of these United Kingdom-Canada wheat contracts?

Mr. Howe: I understand the wheat board act will be discussed later in the session, and I do not care to amplify this statement at the moment.

He pointed out that the matter of wheat had been discussed by him with the Canadian wheat board officials and the proper officials in Britain. The Minister of Agriculture has stated that within the last six months of the experiment we might be in a position to decide the matter. We are now within a period of weeks of the termination of the final contract. Surely the minister is now prepared to tell this house the result of the discussions on the basis of the "have regard to" clause. The final settlement on the basis of the "have regard to" clause has been postponed until July, 1950. I have pointed out, as have other people more conversant with the subject than I, the great loss, running somewhere between $500 and $600 million, that has resulted to date. The year's business is not completed; therefore no one will know the exact figure until July 31 of this year. Surely the minister will say at least on what basis the United Kingdom proposes to make up this gigantic loss. The Minister of Agriculture pointed out that the wheat producers would not suffer any great loss, because if the United Kingdom failed to make up the loss—he was then referring to the matter of these contracts, and the fact that if Britain did not take as much wheat under the contract this year she might take timber, salmon, and other things—then the federal treasury of this country would make that loss good.

Mr. Howe: The hon. member has quoted the Minister of Agriculture. Will he tell me on what page of *Hansard* I can find that quotation?

Mr. Ross (Souris): I shall get it for the minister. I have not got it before me at the moment.

Mr. Howe: I have never heard him make that remark.

Mr. Ross (Souris): I do not know whether the minister was in the house at the time. I had the page marked; I shall give it to the minister before we pass from the committee stage. Not only that, but the Minister of Agriculture said that the Prime Minister had requested him to make the statement. I cannot give the exact wording, but I can give a rough approximation of it. He said that the federation of agriculture and other officials had visited the cabinet before the opening of this session, and the matter had been discussed. The minister prefaced his remarks by saying the Prime Minister had asked him if he was going to speak in the debate—I think it was the debate on the address in reply to the speech from the throne, but I would not be sure. The Prime Minister said that if he did intend to speak, the government's intention in this regard should be cleared up. Roughly, that is what the Minister of Agriculture said, but I shall give the minister the proper page reference in *Hansard*.

I should think that in fairness to those who spoke when we entered into that contract the minister should at this stage tell us the basis of the discussion with the United Kingdom for settlement of this contract, and, if there is to be no settlement by the United Kingdom, then on what basis the government proposes to make up the loss to those producers. It has been intimated that we could properly discuss this subject when the bill was before the house.

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I have a few short comments to make at this time. I can say that the members of this group, as did other members of all parties, supported the original United Kingdom wheat agreement. We believed at that time, and we believe today, that such long-term agreements, which enable us to have a market for a large quantity of wheat, are in the interests of our producers. I cannot see how any hon. member could now go back and criticize that agreement, and at the same time complain that a new agreement similar to that one has not been signed. My only wish is that the Minister of Trade and Commerce (Mr. Howe) could have announced a further United Kingdom wheat agreement to provide for the sale of the same large quantities of wheat as were provided for in the first agreement.

The farmers believed that they were being given protection as to price, not only during the period of that agreement but over a longer period after that agreement came to an end. Our producers also felt that because of the "have regard to" clause, if they did make great sacrifices within that four-year period, those sacrifices would not have been in vain, but would have been made up either by the United Kingdom government or through a continuing price stabilization policy carried on by this government, a policy which would take that great sacrifice into consideration.

I must say, Mr. Speaker, that we in this group, today as in the past, support the continuation of the Canadian wheat board as the sole marketing agency for wheat. In that stand we believe that we have the support of the organized farmers of western Canada. If there is any criticism as to the extent of the wheat board's operations at this time, it comes from the fact that the wheat board is

not the sole marketing agency for all grain produced in western Canada. We hope that the time is not far distant when this government will extend the operations of the Canadian Wheat Board Act so that all grains may be included under it. At the same time we should like to see the wheat board engaged not only in the buying, but also, as the sole agency, in the selling of oats and barley. We object to the grain exchange being used for the sale of oats, barley, rye and flax at this or any other time.

I believe that the wheat picture is not nearly as bright as some might have us believe. When the Minister of Trade and Commerce the other day assumed that the rock bottom floor under the amount of our shipments to Britain this year would be 100 million bushels, I think he demonstrated how serious may be the market situation for wheat in the future. During the last four years we sold, on the average, 150 million bushels of wheat to the United Kingdom each year. During the present year our contract calls for the sale of 140 million bushels. We therefore see the prospect of losing the United Kingdom market for wheat to the extent of between 20 million and 40 million bushels. I am afraid we may have great difficulty in replacing that market with other markets in other countries.

If I read correctly the reports from the Department of Trade and Commerce, we are likely to have a large carry-over of wheat at the end of July; in fact, I believe it will be a much larger carry-over than we had a year ago. According to a report issued by the dominion bureau of statistics, on May 18 we had in Canada a visible supply of wheat of 117,500,000 bushels of wheat; on May 19 of last year, almost one year ago to the day, we had on hand only 99,800,000 bushels. On May 18 of this year the visible supply of wheat in Canada exceeded the visible supply of a year ago by 17,700,000 bushels. All I can say is that if that trend continues we may wind up at the end of this crop year on July 31 with a carry-over of between 90 million and 100 million bushels of wheat. That carry-over exceeds the normal carry-over in pre-war days, and it is a carry-over that might well become unmanageable if it continues to grow. In the face of that possible large carry-over, I think the Minister of Trade and Commerce should have endeavoured to obtain a further United Kingdom-Canadian wheat contract.

As I have said before, I am not at all happy about the reduction in the initial price for wheat. I believe that it represents a serious blow to western Canada. A year ago the farmers received a further payment of 20 cents a bushel, amounting to $213 million. They are not receiving any large further payment at this time, and the initial price or initial payment will be lowered by 35 cents a bushel on August 1. If the farmers market a normal crop of some 300 million bushels this year, they will sustain a drop in income, because of the lowering of the initial payment, of approximately $100 million. That will add up to a drop in income to western farmers during the coming year, on account of wheat sales, of something in the neighbourhood of $300 million.

Unless something is done to increase the income of western farmers, our people will not be able to purchase all the farm machinery, manufactured goods and lumber that they have been purchasing in the last few years. Western Canada has proved to be the best market for manufactured goods produced in our country; and in my opinion to allow this substantial drop in income is not in the best interests of any part of Canada.

There has been a great deal of discussion as to what happened to the agricultural producer over the last four or five years, and as to what sacrifices he has made or losses he has sustained because of the government's wheat policy. I have before me the last report of the Canadian wheat board. It shows that in the first three years covered by the United Kingdom wheat agreement, class II wheat sold for $2.39 a bushel. During the period of the United Kingdom wheat agreement, up to that date, we had sold to the United Kingdom 339 million bushels at $1.55 a bushel, or 84 cents a bushel less than the average price for class II wheat. During the same period we sold 146 million bushels to the United Kingdom at $2 a bushel, 39 cents a bushel less than the price of class II wheat. That represents a substantial contribution by the agriculture producers of our country. Moreover, not only were our farmers called upon to make sacrifices because of the United Kingdom contract, but they were called upon to make sacrifices because of the domestic price of wheat set by the government from time to time.

According to the same report of the wheat board, during the first three years covered by the United Kingdom wheat agreement, the Canadian consumer obtained 38 million bushels of wheat at $1.25 a bushel, $1.14 a bushel less than the average price for class II wheat. The consumer obtained 112 million bushels at $1.55 per bushel, 84 cents less than average price for class II wheat. The Canadian consumer obtained 52 million bushels at $2 a bushel, 39 cents less than the

price received for our class II wheat. According to those figures, that represents a contribution by the wheat producers of western Canada to the Canadian consumer within that three-year period of $159 million. Because of that great sacrifice, and because of the contribution made by the wheat producer to the Canadian consumer, the farmer believed—as did I up until the last few days—that funds would be made available for the support of wheat prices if that action became necessary in order to provide stability.

Speaking in the house on May 30, the Minister of Trade and Commerce made it perfectly clear that under the present bill setting out the wheat board policy for the next three years the government does not intend in any way to support the price of wheat. He went over the history of pooling arrangements, and said that the only way pooling arrangements could be sound was to establish an initial price for a given year at 60 per cent of the July cash price for wheat.

The minister should not forget that during those pooling periods farmers were pooling their own grain on a voluntary basis, and of course it was in their own interests to have a sound pooling arrangement. But now the government is doing the pooling, and has done it for a number of years. According to the annual statement of the wheat board, during the last three years the Canadian consumer received wheat at a price which meant that the farmer of western Canada contributed to the consumer to the extent of $159 million.

In my opinion, if there is any equity and any fairness, that contribution by the wheat producer to the Canadian consumer should now result in the government guaranteeing a substantial initial payment to the wheat producer, so that his standard of living may not be allowed to drop, even though such procedure might cost the public treasury some money.

The farmer has made his contribution to the Canadian consumer, and now the consumer should be prepared to make his contribution to the agricultural economy, if such contribution became necessary because of falling prices. But under the present bill each pooling period is to stand on its own feet—and when I say that, I am using the minister's own words. In other words, under the present bill the farmer is not going to recoup a single dollar of the loss he sustained in the last four or five years. Moreover there is no guarantee that even with the lower floor price he will be able to sell all the wheat he produces.

[Mr. Argue.]

A plan was discussed last November before the food and agriculture organization of the United Nations by which surplus food commodities might be moved to needy countries from the countries in which those surpluses occurred. The proposed arrangement may have had some faults, but the fact is that our government blocked any consideration of it as it was placed before the organization at that time. Speaking for the government, the Minister of Agriculture said that national policies would be able to deal with surplus commodities. Well, I hope the government will now act on that statement and take every bushel of wheat the western farmers produce. The government had a chance to support an international pooling arrangement for the sale of agricultural surpluses, but in its wisdom it decided that national policies were the best means by which to deal with surpluses. So now it is the responsibility of the government to make sure that wheat surpluses are either disposed of or stored, and that the farmer is not asked to bear a disproportionate share of the government's wheat policy in the future, as he has been asked to bear it in the past.

Mr. Ross (Souris): Mr. Speaker, on a question of privilege, the Minister of Trade and Commerce (Mr. Howe) asked me a question, but because I did not have *Hansard* before me at that time I was not in a position to answer. I have now before me the page of *Hansard* in question, and from it I should like to quote the words of the Minister of Agriculture (Mr. Gardiner) as they are found at page 569, the issue of March 8, 1950. Then there is another matter of privilege—

Mr. Howe: Would you mind reading it?

Mr. Ross (Souris): Yes, but it is lengthy. The Minister of Agriculture is reported to have said:

> What I want to say is what the Prime Minister (Mr. St. Laurent) said to the farm delegation when that point was raised at the time the Canadian Federation of Agriculture met us a short time ago just before the opening of the session.

I shall read it all, so that no one can say that I have left some out. It continues:

> When the remark was being made the other day the Prime Minister asked me if I intended to speak—and I said that I probably would—and suggested that that matter ought to be answered in the house just as he answered it to the farmers.
>
> There is another reason that I am referring to it. It has not particularly to do with the affairs of my department; it has to do with the Department of Trade and Commerce. But the Minister of Trade and Commerce (Mr. Howe) was not here at the time that the farm delegation met the government and he therefore was not a party to the discussion. But he was here when the discussion took place as to whether or not the exchange would be made. What I wish to say to this house, and through this

house to the country, is that the Prime Minister stated to the farmers that it was decided during the first discussion that every dollar the wheat pool was entitled to as a result of the British agreement would be paid into the pool by the end of this crop year, on the basis on which the British agreement called for the deliveries, and that therefore there would be no possibility whatsoever of any loss being taken by the farmers of western Canada as a result of that exchange. The money will be paid into the pool by the government of Canada and any loss which is taken—if any loss is taken; and we do not expect that there will be any—would naturally be taken by the treasury or by a settlement that we get from the British under the "have regard to" clause rather than by the farmers themselves. I thought it was necessary that that matter should be cleared away at this time in order that we may avoid discussion of the idea in the future.

I think that is clear. Then, another point—

Mr. Howe: It may be clear to you, but it is not clear to me. The minister was talking about exchange loss, was he not?

Mr. Ross (Souris): We had expected that this amendment to the Canadian Wheat Board Act would not be brought up in the house while the committee on agriculture was sitting, as it is this morning, to discuss the Prairie Farm Assistance Act, in which many of us are vitally interested. The result is that we cannot have the members in the house. Indeed, the Minister of Agriculture himself is tied up in that committee and cannot be here to discuss a bill which is most important, and an arrangement which on behalf of this government he negotiated back in 1946. It is unfortunate that the government cannot arrange the business of the house so as to meet the convenience of members.

Mr. Howe: We are not discussing past negotiations in wheat. We are discussing a bill to amend the Canadian Wheat Board Act. If we could keep to that it would save a good deal of time, and also leave my hon. friend free to go to the committee on agriculture.

Mr. Robert Fair (Battle River): Mr. Speaker, I am sorry that it has been found necessary to have the committee on agriculture and colonization sit this morning at the same time Bill No. 252 is being discussed in the house. Apparently that was unavoidable, but it has meant that those of us who belong to small groups have had to split up into still smaller numbers in order to be represented in both places.

Bill No. 252 will prolong the life of the wheat board until the end of July, 1953. Lest there be any mistake about it, I want to state again that we Social Crediters are in favour of the wheat board continuing in operation. While many people who do not understand the functions of the wheat board have blamed t for some of the things that have occurred in the past, as a grower of grain I am quite satisfied that the wheat board is the best organization we have had up to date.

The hon. member for Souris (Mr. Ross) and the hon. member for Assiniboia (Mr. Argue) have covered many of the points that I had intended to deal with, and it would be needless repetition for me to go over them again. But I do want to stress the fact that the wheat growers of the prairie provinces have been subjected to unnecessarily heavy losses because of the operation of the British wheat agreement and the supplying of cheap bread to the Canadian people for the past number of years. Many people do not realize this, nor do they realize that because of the concessions made to the Canadian people the wheat growers of the three prairie provinces lost approximately $600 million in the crop years 1946, 1947, 1948 and 1949. That was quite apart from losses that were suffered on other agricultural products because of government policy.

I submit that there should be some settlement of the losses that have been sustained. The quotations read by the hon. member for Souris, as well as one I intend to read in a moment, should definitely prove the fact that these losses have been suffered by the farmer and that at least certain ministers of the government agree that that is so. The Ottawa *Journal* of February 10, 1949, contained the following article:

War sacrifices of farmers entitle them to fair prices.

Canadian farmers were "entitled now" to prices which would justify their wartime sacrifices, agriculture minister Gardiner said last night. He was speaking to the annual meeting of the Ontario Concentrated Milk Producers Association at the Chateau Laurier. More than 150 delegates are attending the two day session, the largest in several years.

"Because there have been declines in the United States, people here are suggesting that food prices should drop to that level, forgetting that prices there rose during the war to a peak never experienced here."

The whole idea in preventing high food prices in Canada during wartime was to allow a "levelling out" afterwards, Mr. Gardiner remarked.

He was "inclined to agree" with the popular statement that consumers did not appreciate what farmers did during the war in keeping the cost of food down. Mr. Gardiner said he was "surprised that farmers had not been able to sell that idea fully."

To reduce the cost of food would mean "bringing down returns to farmers".

"People are inclined to forget that farmers, and dairy farmers in particular, were asked to hold their hand on prices during the war—at a time when they might have charged almost what they wanted."

That statement was made by the Minister of Agriculture, who I believe knows agricultural conditions in Canada as well as or better than any of us. I am sorry to see that no steps are being taken by the government to settle up the losses sustained in the past. On

different occasions during the first few sessions, particularly on the last day of the session before the last general election, I have asked the Minister of Trade and Commerce, the Minister of Agriculture and the Prime Minister (Mr. St. Laurent) what the government intended to do about making good those losses, but up to the present time no statement has been made. I hope the Minister of Trade and Commerce will tell us what the government policy is, so that we may know whether the farmers will be asked to continue to carry these heavy losses.

I should like to know why the price of wheat has dropped the way it has. We find that today the cost of living index is at the highest point on record, 164, and we know that after the last war when the wheat board was established, we received an average price of $2.63 for wheat under wheat board operations. At that time the farmer's costs were not half what they are today. Over the past four year period the initial and interim prices have amounted to only $1.75.

The setting of an initial payment of $1.40 for next year is one method of inducing people to bid lower prices for our wheat. It is an admission by the government that the price of wheat should come down. As far as I know, the prices of most of the things the farmer must buy are still climbing; in only a very few cases has there been a drop in prices.

Many people realize that this question is of interest only to the farmers or grain growers, and I have been trying for some time to show that when the farmer has money, then Canadians as a whole are prosperous. Just as soon as the farmer is prevented, either by lack of crops or by poor prices, from having sufficient money to buy the products of industry, then the workers will find themselves on the street because there will be no jobs for them. This should be taken into consideration by the government when dealing with agricultural products.

I want to say again that I am glad that the life of the wheat board is being prolonged. While the government and the wheat board have been doing a good job in getting rid of our wheat, I do not think sales should be pushed without adequate prices being received. It would be much better for us to grow a smaller amount of grain and sell it at prices which have a proper relationship to the things we have to buy.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, like the hon. members who have preceded me, I regret that the agriculture committee is sitting at this hour, because of necessity many members who are interested in this problem and who represent wheat growing areas are attending that committee and consequently are unable to be here. This problem is one of the most important that has come before the house, from the point of view of those who represent prairie constituencies.

I agree with what has been said by hon. members who have preceded me, and shall not repeat their argument that the farmers are entitled to more consideration in regard to initial price. All of us support the wheat board method of marketing, and I do not think there is a member from a prairie constituency who will take any other view. We want to see it continued, and our supporters want to see it continued. We believe it is the proper method of dealing with this particular matter.

I believe a vast majority of the producers would like to see all grains marketed through marketing boards which would be more representative of the producers than is the wheat board.

I want to say something this morning about the initial price. The bill leaves it to the governor in council to set the price. I quite agree with the statement that has been made that the initial price which is to be set is too low when we consider the contributions that the farmers have made over the past number of years, particularly during the war. I also want to express my regret, as I did when the minister made his announcement on May 30 as to the new United Kingdom agreement, that the agreement is not for a longer period of time and for an adequate price, as I think our producers expected it would be.

The hon. member who has just taken his seat (Mr. Fair) has made the point well that at the present time the cost of living is at the highest figure in the history of our country, and that this is reflected in the cost of production of farm products. The costs of production of all farm commodities have reached unprecedented heights. Consequently I think that the initial price this year should be different; and it should be set out in the bill now before us, instead of leaving the fixing of the price as provided in the bill. Of course no one can say what the price of wheat is going to be in the next year. The minister made an optimistic prediction the other day, but no one can tell. Indeed, the prognostications that economists, members of parliament and others have made over the past few years as to the price of wheat and the manner in which the economy would develop in the course of a year or two, have in many instances proven to be wrong. Consequently it is very difficult to make any prediction as to the future.

I remember, when the British wheat contract was before the house on August 15, 1946, the conflicting views that were expressed sometimes by the same speakers. I have *Hansard* for that date before me. I remember Mr. Bracken, then leader of the opposition, making various predictions. He said, for example, at page 4822 of *Hansard* for August 15, 1946:

> . . . Britain is expected to pay more for our wheat two years from now than the world price when it may be lower, I say that as an insurance that this will be done, it is valueless.

Again on the same page he said very much the same thing:

> This, Mr. Chairman, is the end of the government's policy of selling cheap wheat to the hungry nations of the world other than Britain, and it will be a handicap to us in trying to build up a market in all these other countries which so interpret this arrangement.

Again he said:

> I predict that in two years, or a little more, this agreement will blow up, when the advantages to Britain are gone and when her own people will be wanting to get food at the world price, as they have always wanted to, and when the world price will probably be lower than it is now.

That merely illustrates how very difficult it is to predict what is going to happen over a period of time. I thought that perhaps the opposite might happen, and that wheat might go up. I certainly thought that the cost of production would rise. We have no guarantee now that the cost of production will fall. At that time I said, as reported at page 4825 of *Hansard*:

> I believe the government would be well advised to consider this suggestion that in the event of the costs of production rising for the next few years, as they will do largely because of the government's failure to maintain the ceilings, any difference there may be between what the farmer receives for his wheat and the increased cost of production should be made up out of the consolidated revenue fund of Canada.

Let us remember that at that time, when we were discussing the price under the British contract, the Minister of Agriculture (Mr. Gardiner) thought that the price then being negotiated was fair because he put the parity price at $1.41 or $1.42, and not $1.55, which some of us were suggesting. Today, with the cost of production where it is, if we are going to consider a parity price for wheat the initial price should be very much higher than the $1.40 which the government proposes to set. Indeed the minister's own statement the other day, when he thought that the average price we might get this year for wheat might not be less than the price we got last year, would also warrant a higher initial price.

I regret very much indeed that the government set a lower initial price, because, as was stated by the hon. member for Battle River (Mr. Fair) a few moments ago, that seemed to be an invitation to our customers to bid a lower price than we might otherwise get. That is one of the great difficulties of the bill and the whole arrangement. I am not going to try to estimate the wheat growers' losses; some have been suggested this morning, although you could argue that if Canadian wheat had been thrown on the market the United States price might have been considerably lower than it was, and therefore when we made a comparison the loss would not have been as great.

Mr. Fair: People have to have wheat, anyway.

Mr. Coldwell: The hon. member for Souris (Mr. Ross), the hon. member for Assiniboia (Mr. Argue) and the hon. member for Battle River may be quite right when they give the figure of the losses as some $600 million. We do not know about that, but it is certain that there was a considerable loss. It is also certain that farmers of Canada assisted the government in maintaining price ceilings and took a great loss as to the amount of wheat consumed on the domestic market. I think that cannot be gainsaid. Consequently I regret that the initial price is not in the bill and for a longer period. I regret that the amount of wheat we are likely to sell to Great Britain is so much less than many of us had hoped. It is only 100 million to 120 million bushels. With a hungry world all around us we should be able to get rid of any surplus that our farmers produce. Unfortunately, however, economic conditions are such that Canada has to trade, and unless we can get something in return for our wheat we cannot trade. The nations that need it often cannot give us anything for our wheat. We are in a difficult position with a sale of only 100 million or 120 million bushels of wheat to Great Britain.

I do not want to prolong the discussion. I have heard the views of the hon. members for Souris, Assiniboia and Battle River. I hold similar views myself, and I believe that if the hon. members who are attending the meetings of the standing committee on agriculture were here they would express similar views. I want to move an amendment which I believe is wholly in line with amendments we moved earlier on somewhat similar marketing measures. I believe the amendment to be thoroughly in order because it expresses a view contrary to the principle of the bill. The principle of the bill is that the governor in council should set the initial price. I believe that parliament should decide on the initial price. We in this parliament have the obligation of doing justice

to the group of producers who contributed so largely to the maintenance of our own price ceilings and to the feeding of the world during the war years.

I therefore move, seconded by the hon. member for Saskatoon (Mr. Knight):

That Bill No. 252 should not now be read a second time but that it be resolved that in the opinion of this house consideration should be given to the provision of an initial payment, for the periods covered by this bill, of $1.75 per bushel for No. 1 northern wheat basis in store Fort William/Port Arthur or Vancouver.

Those, of course, are the points. I wish we could include Churchill as well. In any event I think the house should express its opinion on this matter. I believe the amendment is quite in order, and that as a parliament we should see to it that something better is done than simply to leave the fixing of the initial price to the governor in council, and particularly, to permit the comparative low initial price already announced to go into effect this year. This will not in any way delay the progress of the bill. It is not our purpose to delay it, or to interfere in any way with its passage. We believe in the wheat board method of marketing, but we do want the house to express an opinion on the initial price.

Right Hon. C. D. Howe (Minister of Trade and Commerce): I think I should say a word on the amendment in reference to the discussion that has taken place. First I should like to refer to the quotation from a statement by the Minister of Agriculture read by the hon. member for Souris (Mr. Ross). From his remarks I had understood that he was referring to a statement of general application to the marketing of wheat, but on looking up the quotation I find that the reference is to only twelve and a half million bushels of wheat for which delivery is being deferred.

Mr. Ross (Souris): I believe I stated that in my opening remarks.

Mr. Howe: I do not think you did so.

Mr. Ross (Souris): Yes; I was referring to lumber and salmon and other commodities that were taken out this year.

Mr. Howe: The hon. member is quite correct if his remarks are limited to the twelve and a half million bushels of wheat which the Minister of Agriculture stated would be paid for at the United Kingdom-Canada contract price. As a matter of fact the arrangement with the United Kingdom provides that an order will be placed for the twelve and a half million bushels at the contract price for delivery in August; therefore no adjustment arises under that item. I just want to make it clear to the house that remarks of the Minister of Agriculture on that occasion had no relation to the marketing of wheat other than the twelve and a half million bushels to which he was then referring.

Now I come to the question of the so-called losses. I find it hard to understand the reason why people who have so little use for grain markets should be so confident that the price quoted on a United States grain market must be the world price, notwithstanding the fact that Canadian wheat is denied access to that market. We are told that the Chicago price of wheat throughout the whole speculative period during the 1940's was the world price. I would point out that far more wheat was sold for cash under the United Kingdom-Canada agreement than was sold under the so-called world price, the price quoted on the Chicago market. Practically everything exported by the United States at that time was either given away for military relief or sold under the Marshall plan with funds furnished by the United States to buy wheat from the United States. It seems to me the price at which the bulk of the wheat is bought and paid for might well be regarded as the world price, and I therefore suggest that it would be much more reasonable to call the price under the United Kingdom-Canada agreement the world price than the price quoted on the Chicago exchange. The latter was merely a domestic price which the government paid the trade for wheat shipped for military relief or sold under credits established under the Marshall plan.

Mr. Ross (Souris): What about Canadian class II wheat?

Mr. Howe: Canadian class II wheat was sold at any price that could be obtained. We speak of the loss of markets. In 1946 and 1947 we lost in nearly all markets except the United Kingdom, for the reason that we had contracted to sell practically all our exportable surplus to the United Kingdom. We had a few bushels extra, and we sold those to old customers at the prices that those customers were paying others for wheat at that time, which was the price that they were willing to pay us. For the wheat we sold outside the United Kingdom we received the class II price then prevailing; but I would point out that the class II price for which we are selling wheat today is by no means the Chicago price. It is about 30 to 40 cents under that price; but it is the price which customers outside the international wheat agreement are willing to pay for our wheat. However, there are so few customers outside that international agreement today that the class II price is not very important in so far as the marketing of Canada's crop is concerned.

What is a fair price for Canadian wheat? Well, we sent to Washington to discuss the

proposed international wheat agreement a group as representative of the wheat growers of western Canada as I thought could be found. It included at least one representative from each of the three pools, one from the United Grain Growers, and at least two independent farmers, chosen for the prominent part they had played in Canadian agriculture. What did those men recommend to the government as a fair maximum price for Canadian wheat? First they recommended $1.70; which was later, through negotiation, increased to $1.80, which our advisers obviously considered a fair maximum price for western Canada's wheat crop. The minimum price also was established on their recommendation. As hon. members know, that is on a sliding scale. For the current year it is $1.50. For the next crop year it will be $1.40; for the following crop year, $1.30; and for the year following, $1.20. That was the recommendation of a carefully selected group of representatives of the wheat growers of the three prairie provinces. The significant figure to which I want to call the attention of the house is the maximum price they recommended to the government, which finally was $1.80 in United States funds. The counterpart of that maximum price today in Canada is $1.98 in Canadian funds.

Then we come to the question of an initial payment. I think those who believe in pooling wheat believe that pools should stand on their own feet. Certainly that is the theory on which pooling was established in this country by the Alberta wheat pool back in 1923. Certainly that is the theory upon which pooling was carried on during the period in which it proved to be practicable. It was a departure from that principle that wrecked pooling in this country in 1929 and plunged the pools into debts which they have only now succeeded in paying off. The year after those debts were financed by the provincial governments a further departure from that policy brought about the ultimate collapse of pooling, and resulted in the taking over of the marketing of wheat by the federal government.

Those who believe in pooling should for that reason believe in sound principles of pooling. It is suggested now that an initial price be established that might very well lead to the bankruptcy of the 1950-51 pool in its first year under this amended wheat marketing act. Why would we do that? It seems to me that if pooling is sound policy then sound pooling principles should prevail. Why does the amendment provide that the government shall establish the initial price? Because the government hopes to be able to vary the initial price during the year in favour of the farmers, as it has done in working out the five-year pool. The five-year pool started with the initial price of $1.35 per bushel. After a period that was raised to $1.55 per bushel, and it was raised again to $1.75 per bushel. When we speak of the initial price for the five-year pool, we should remember that that price was raised from time to time as conditions within the pool made possible, and always under conditions which gave the government reason to believe that the new initial payment represented a safe price. In other words, when the government fixed the price at $1.75 it fixed it at a time when the pool could not have been made bankrupt by any circumstance that could then be foreseen, arising out of known conditions of completing sales of all pool wheat. The initial price was always a safe price.

We have set the price at $1.40 for the crop year of 1950, and we have done that because it is the minimum price under the international agreement for that year, stated in United States funds. It is true at the moment Canadian funds are at a ten per cent discount from United States funds, but that may well be a temporary situation. The historic position of the Canadian dollar is at par with the United States dollar. How long the discount situation will continue, I do not know. It may continue for five years or ten years, but there is also the possibility it may not continue for very long. There are certain factors that raise a doubt in my mind as to whether that period may not be shorter rather than longer. That is another element that has to be considered in fixing the minimum price. However, if by next February the pool has accumulated a considerable surplus through paying a low initial price, certainly the initial price will be increased, payment made for past deliveries and a new initial price established for future deliveries. It has never been the policy of the government to accumulate large sums in the pool, when these sums can with safety be paid to the growers.

Mr. Coldwell: Will the minister permit one short question?

Mr. Howe: Yes.

Mr. Coldwell: I believe he has missed my point. My point was that, owing to the sacrifices made by the farmers at a previous time, the initial price should now be set at $1.75. If necessary, compensatory adjustment should be made from the consolidated revenue fund of Canada, just as we do for certain other agricultural products.

Mr. Howe: If my hon. friend is suggesting that his amendment may cause a drain on the consolidated revenue fund of Canada, and I was about to suggest that this is so—

Mr. Coldwell: I am not suggesting that, but should the price of wheat fall, it could be done that way, as for other agricultural products.

Mr. Howe: The hon. member's suggestion may lead to a drain on the public purse and that would make the amendment out of order. I believe the mover of the amendment has made a suggestion which puts his amendment out of order.

Mr. Coldwell: No.

Mr. Howe: I do not wish to prolong the argument, Mr. Speaker. I suggest to you that the amendment in out of order, because it threatens a drain on the public purse, and for that reason cannot be moved by a private member. If there is any doubt about it, I am quite willing to let the matter go to a vote of the house.

Mr. Ross (Souris): Will the minister say something about the proposed basis of settlement under the "have regard to" clause in the contract? When he made his statement the other day he did suggest we could discuss it when this bill was before the house.

Mr. Howe: I do not see anything in the bill that refers to it, but I should be glad to have anyone discuss it who wishes to do so.

Mr. Fair: Is it the minister's intention to make a statement on that point?

Mr. Howe: On the "have regard to" clause?

Mr. Fair: And the compensation for loss.

Mr. Howe: I made a statement on the so-called losses. I questioned the figures presented by my friend when he referred to $400 million, $500 million, and $600 million, calculated on the price of domestic wheat on the Chicago market.

Mr. Fair: I did not present those figures. I presented figures brought down by the government in reply to one of my questions. If the figures are wrong, then the minister will have to take the responsibility for them. It is the price of our class II wheat upon which hon. members are working, and that is the price for that class of wheat sold on the open market. The minister must take the responsibility for any misrepresentation of the figures.

Mr. Ross (Souris): If I may just refer to this question again, at page 2985 of *Hansard* the minister certainly implied that we could discuss this clause when this bill was before the house.

The Acting Speaker (Mr. Beaudoin): Order. I must remind hon. members that we are not in committee. I heard the minister express some doubt whether the amendment was in order. I have examined the citations in Beauchesne's third edition referring to amendments, and I should like to say that the amendment merely refers to the fact that "consideration should be given", and is therefore not an order to the government to spend money out of the public treasury. I have examined the citation, but if the doubt cannot satisfactorily be cleared up, the best way to decide the question is to let the house express its opinion. Therefore, if the house is ready for the question, it is on the following amendment, moved by the hon. member for Rosetown-Biggar (Mr. Coldwell):

That Bill No. 252 should not now be read a second time but that it be resolved that in the opinion of this house consideration should be given to the provision of an initial payment, for the periods covered by this bill, of $1.75 per bushel for No. 1 northern wheat basis in store Fort William/Port Arthur or Vancouver.

I shall ask all those in favour of the amendment to say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Beaudoin): Those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Beaudoin): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Beaudoin): Call in the members.

Before the taking of the vote:

Mr. Speaker: The question is on the amendment. Before putting the amendment, may I say that I am not convinced that the amendment is in order. The division bells rang before I had an opportunity of coming to a conclusion on the matter. I shall therefore put the amendment.

The house divided on the amendment (Mr. Coldwell) which was negatived on the following division:

YEAS

Messrs:

Argue	Diefenbaker
Beyerstein	Drew
Black (Cumberland)	Fair
Blackmore	Gagnon
Blair	Gillis
Brooks	Graydon
Browne (St. John's West)	Green
Casselman	Harkness
Catherwood	Hatfield
Charlton	Herridge
Coldwell	Higgins
Coyle	Hodgson

Johnston	Shaw
Jones	Smith (Calgary West)
Knight	Thatcher
Knowles	Thomas
Low	Tustin
Macdonnell (Greenwood)	White (Hastings-Peterborough)
Murphy	Wright—40.
Quelch	
Ross (Souris)	

NAYS

Messrs:

Abbott	Kirk (Antigonish-Guysborough)
Anderson	Kirk (Digby-Yarmouth)
Ashbourne	Lafontaine
Bater	Laing
Beaudoin	Lapointe
Benidickson	Larson
Bennett	Lefrançois
Boucher	Lesage
Bradette	Macdonald (Edmonton East)
Bradley	MacDougall
Brown (Essex West)	MacKenzie
Bruneau	MacLean (Cape Breton North and Victoria)
Byrne	MacNaught
Campney	McIlraith
Carter	McIvor
Cauchon	McLean (Huron-Perth)
Cavers	McWilliam
Chevrier	Major
Clark	Martin
Claxton	Matthews
Corry	Mayhew
Cote (Verdun-La Salle)	Mott
Croll	Murray (Oxford)
Decore	Mutch
Dewar	Pearson
Douglas	Rooney
Dumas	Simmons
Fournier (Hull)	Sinclair
Gardiner	Smith (Queens-Shelburne)
Gauthier (Lake St. John)	Stick
George	Stuart (Charlotte)
Gibson	Studer
Goode	Thomson
Gour (Russell)	Viau
Gourd (Chapleau)	Warren
Gregg	Weaver
Harris (Grey-Bruce)	Weir
Harrison	Welbourn
Helme	Whiteside
Hetland	Winkler
Howe	Wood—87.
Huffman	
Jeffery	
Jutras	
Kent	
Kickham	

Mr. Wylie: I was paired with the hon. member for Fraser Valley (Mr. Cruickshank). Had I voted I would have voted for the amendment.

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

Mr. Cardiff: I was paired with the hon. member for Chateauguay-Huntingdon-Laprairie (Mr. Black). Had I voted I would have voted for the amendment.

Main motion (Mr. Howe) agreed to, bill read the second time and the house went into committee thereon, Mr. Beaudoin in the chair.

On section 1—*Constitution of board.*

Section stands.

Progress reported.

At one o'clock the house took recess.

The house resumed at three o'clock.

EXTERNAL AFFAIRS

NORTH ATLANTIC COUNCIL—ECONOMIC ASSISTANCE TO SOUTH AND SOUTHEAST ASIA—REPORT ON LONDON AND SYDNEY CONFERENCES

The house having reverted to the order for motions:

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, I am glad to take advantage of this opportunity to make a report on my recent journey to London to attend the meeting of the north Atlantic council, but before doing so I should like to say a few words about the commonwealth meeting held in Sydney, Australia, to discuss economic assistance to south and southeast Asia. At that meeting the Canadian government was represented by my colleague, the Minister of Fisheries (Mr. Mayhew), and I am sure we are all glad to see him back in his seat today after what I know from experience must have been a long and arduous trip.

The commonwealth meeting at Sydney was an important one. This government appreciates its importance, and is anxious to join with other commonwealth governments in co-operating to improve conditions in that particular area of the world. Although there is no limit to our good will in this matter and in other similar matters, naturally there is a limit to our resources. In expending those resources we have to take into consideration other commitments. However, that is the only reservation to our co-operation with other commonwealth countries in this matter.

At the Sydney conference the representatives of the commonwealth who met there recommended a number of points to their governments. It was proposed and agreed that assistance for economic development in that area should proceed by progressive stages under a general plan covering a period of, I believe, six years. Plans for economic development to that end are to be drawn up

during the coming months, and the commonwealth scheme for technical assistance for the area is also to be organized within the next few months.

Assistance under this scheme would be available to non-commonwealth governments as well as commonwealth governments in south and southeast Asia. It is hoped that other than commonwealth governments will participate in that assistance. This and related proposals of the conference will be under study by the Canadian government in the near future, when we shall have had a chance to receive a report from the Minister of Fisheries, who reached Ottawa only last night; and when all the necessary information has been received. That is all that I can say about the Sydney meeting at this time.

With regard to my journey to London, by an unexpected and possibly symbolic coincidence I found myself concerned during that visit with the two most important international political agencies of our day, the United Nations and the North Atlantic treaty organization. In London I attended the second formal session of the north Atlantic council. I also had the privilege of an interesting discussion with the Secretary General of the United Nations, who had just completed a series of consultations with the governments of the United Kingdom, the United States, France, and the U.S.S.R.

It is my firm belief, and indeed it is the principle upon which the foreign policy of this government is based, that the North Atlantic treaty and the United Nations complement each other, that the aims and purposes of the larger body are sustained and strengthened by the smaller, and that the greater security which the members of the north Atlantic community enjoy by reason of their association together contributes materially to the political stability which is essential if problems of international order are to be solved.

The central purpose of the United Nations, security for all states through general collective action and vigorous international policies to remove the causes of war, remains the objective which this government, and I am sure this country, is prepared to support by every possible means. We continue to believe that in the long run lasting peace can be established only on the basis of universal action. We continue to believe also in the urgent necessity of pressing on toward that ideal; of taking advantage of every genuine move which brings it nearer to realization. So in London we began the final communiqué of the north Atlantic council meeting with this paragraph:

They—

The members of the council.

—reaffirmed the adherence of their governments to the principles which inspire the United Nations charter and their conviction that common action under the treaty is an integral part of the effort which all free nations are making to secure conditions of world peace and human welfare.

Whether we like it or not, the technical developments of our time are leading us towards "one world." If we do not get there as a result of peaceful co-operation we will almost certainly have that end imposed on us by force at the conclusion of a devastating war. Naturally we want to move towards world unity the peaceful way, and we are more likely to do so if political and economic stability are maintained over as wide an area as possible. That is the reason why the North Atlantic treaty is a constructive contribution to the objectives of our larger policy. To the extent that it increases the security of the members of the north Atlantic community it also increases their ability to co-operate in the work of the United Nations, to fulfil their commitments under the charter, and also to base their policies on the assurance that "one world" may be attained by peaceful means since no one will risk the attempt to impose it by force.

Therefore I suggest, Mr. Speaker, that we must never cease to emphasize that the north Atlantic pact is for peace alone. I am more convinced of this than ever before since our discussions in London. I can assure the house, if any assurance is needed, that if any member of the north Atlantic group had aggressive intentions or tried to engage in provocative diplomacy—and this of course is not the case—the other members of the group would neither follow nor support that member. There need be no doubt on that score no matter what the so-called communist "partisans of peace" and their misguided followers may say. The nations of the north Atlantic community who are co-operating for peace can, I think, face the days ahead with renewed and indeed increased confidence because of the decisions that we took at the recent London meeting. In a general way the significance of this council session rests in the evidence it gave of the ability of free nations to meet extraordinary circumstances by vigorous and imaginative measures. The north Atlantic alliance was formed in the first instance in response to a physical threat, the threat of an aggression against the members of our community. Against a common danger we agreed to stand together and use our resources collectively for defence and peaceful development. I have always believed, however, that the North Atlantic treaty was a response to a deeper and more

significant compulsion than that of fear. All the circumstances of our times, political, economic, technical and cultural, point to the necessity for greater unity amongst the free nations of the world. And by unity we mean far more than paper agreements for common action in certain contingencies. We mean a genuine coming together of peoples on as wide a front as possible.

We have learned, and indeed all history teaches us, that this is a process which cannot be forced, and which cannot develop except in a favourable climate. We know that it is most likely to prosper amongst people with a common background and similar ideals, and that it must take full account of the realities of national identity, national loyalty and national traditions. In other words, we are faced in our time, in the sphere of international organization, with the old familiar social and political problem of freedom and organization. It seems to me that the North Altantic treaty, arising out of the emergencies of the post-war situation, is an attempt of far-reaching importance to solve this problem within an area where success is least difficult.

Many of the conclusions of our meeting in London are of course necessarily secret, because they affect the details of defence planning. Nevertheless, if you will examine the published conclusions of the council, you will find evidence which I think supports my judgment about the importance of the meeting. In the first place we have taken a decision in the military defence field which I think is without precedent in peacetime. We have adopted the principle of "balanced collective forces" as the basis for our defence. Here is the text of paragraph 5 of the summary of conclusions:

> The council unanimously agreed that if adequate military defence of the member countries is to be achieved it must be along the lines of the most economical and effective utilization of the forces and material at the disposal of the North Atlantic countries. They accordingly urged their governments to concentrate on the creation of balanced collective forces in the progressive build-up of the North Atlantic area, taking at the same time fully into consideration the requirements for national forces which arise out of commitments external to the North Atlantic area.

It seems to me, Mr. Speaker, this is no less than the principle of the international division of labour to be applied amongst the members of the north Atlantic community for collective defence. We are now pledged to do within the framework of the North Atlantic alliance what each of us has already been doing within our national defence system. We shall try to agree amongst ourselves which of us is the best able to concentrate on certain types of defence preparation.

This principle may come to mean the further application to defence of new techniques and tactics of scientific warfare; and eventually, possibly, the abandonment of the old concept of defence by great masses of conscripted infantry, the bulk of which would be reservists called up on the outbreak of war.

In this planning allowance has to be made for the fact that certain states have commitments which are external to the north Atlantic area. Allowance has also to be made for the specially exposed position of some states to meet an initial attack. The acceptance of "balanced collective forces" does not of course imply a strategy by which less exposed countries, or at least countries less exposed to ground attack, can collect their resources of men and material behind the ramparts of sacrifices made by others so that eventual victory can be achieved. North Atlantic strategy cannot mean, and our agreement does not imply, a strategy of liberation after destruction and occupation. There could be no hope for Europe in that strategy because the next time there may well be nothing to liberate.

On the other hand our strategy cannot be based on plans for national action alone, through national forces developed for national territory alone. The new principle recognizes, if I may pick out a purely hypothetical example, the waste and futility of one country trying to build battleships, let us say, if there are enough of these already in the navies of other members of the group. This principle in its turn must rest on the firm assurance that the other battleships, if I may continue that example, will be at your service if you need them. Therefore I think, Mr. Speaker, that this decision in favour of balanced collective forces is of vital importance. Of course it is a decision of principle only. Many bridges will have to be crossed before its application can be worked out in practice. We do not yet know how it will affect the detailed responsibilities of any particular member of the alliance. As far as this government is concerned, in our defence policy we have already accepted this principle and have been trying to relate our policy to the defence of an area rather than merely to the defence of a country. We have been going on that principle and we will gladly do what we can to continue its application.

In this field of defence preparation the council also took a number of other important decisions. A beginning has been made by the two defence committees of the council, one military and the other financial and economic, in working out the details of a unified defence program for the north Atlantic community.

The reports of these committees were reviewed and carefully examined, and directives were issued to guide these committees in their future work. To quote from the communiqué, "these directives emphasize that the problem of adequate military forces and the necessary financial costs should be examined as one, not as separate problems." It was recognized that while in present political circumstances defence requirements must come first, nevertheless it might be dangerous and indeed disastrous if the defence effort in any country were carried to a point where it strained and weakened the economic and social fabric of that country. That is one reason, I think, why the north Atlantic nations must plan their defences as a team. That is why there must be the closest co-operation in planning and in production, and the greatest possible standardization of weapons and equipment, a matter which we also discussed in London. Only thus may it be possible for some, and perhaps most, of the members of the Atlantic community to avoid the economic and social dangers of unnecessarily swollen defence expenditures, which would open the doors to the exploiters of domestic discontent.

In short, Mr. Speaker, the Atlantic nations must supply their peoples with guns and butter until guns are no longer needed. How much of each will have to be determined by each country in the light of its own special position and of the general situation. Personally, however, I think it is idle and indeed it could be mischievous to try to lay down formulae and mathematical criteria for the purpose of determining exactly how much each country should do. It may be that the development of a new iron ore field by one country would be a far greater contribution to general security than an additional division of infantry; yet no one wishes to make the comparison, with all its implications, between blood and iron. So we in this north Atlantic group must have, as we do, faith that every member will do its full and fair part in ensuring our collective security. As a result of the decisions we have taken we may now be advised by the agencies we have set up as to the most effective kind of individual contribution we can make to the collective effort. It then remains for the individual governments to decide how this advice and these directives can be made effective by national action.

Other decisions which were important in the field of defence concerned mutual aid and shipping. In London we reaffirmed the principle that self-help and mutual aid are important parts of our defence measures. Again the detailed effect of this decision will have to be worked out. Within the vast area of our alliance, however, there are more than ample resources to meet our defence needs, and tremendous actual or potential productive capacity, much greater than exists or can be developed in the communist despotisms. There are many ways in which we can assure distribution of these resources in a way to meet the demands of the defence program. Mutual aid is only one of them.

The decision to establish a north Atlantic planning board for ocean shipping is another step of great potential importance in the preparation of a unified system of defence. By this means we hope to be able to foresee and meet in advance any emergency that may arise in wartime in connection with the organization of our merchant shipping in the north Atlantic.

These decisions, Mr. Speaker, have carried us a long way, I think, in the preparation of a unified defence system for the north Atlantic community. They are not, however, military decisions alone. A large part of their effectiveness, a large element in the strength of the north Atlantic alliance, rests in the fact that we are not taking decisions about defence unrelated to other problems, and that we are not concentrating merely on military preparations. In this connection I should like to read another part of the council's final conclusions:

> **In formulating their directives the council proceeded on the basis that the combined resources of the members of the North Atlantic treaty were sufficient, if properly co-ordinated and applied, to ensure the progressive and speedy development of adequate military defence without impairing the social and economic progress of these countries.**

That is a proposition with major implications, and we are able to state it with conviction not merely because we have adopted the principle of division of effort but also because we have written into our treaty, in article 2, a commitment to economic and social co-operation on a wide front. In the light of our determination to proceed with adequate defence measures and at the same time fortify the economic welfare of our north Atlantic community, which is such an important part of our defence, the consideration we gave to article 2 in London takes on a new and added significance. We all agreed that this article is a fundamental part of our pact and that the greatest possible value must be attached to the concept of social and economic collaboration in the north Atlantic community, which it embodies.

The question is continually being asked in regard to article 2 to whether or not we intend to set up some special machinery for this kind of collaboration among the members of the group. Well, it is too soon to answer that question; and of course we can dwell too

much on machinery. We have a good deal of machinery at the present time. Sometimes we hear it said that we are going in for harness rather than horse. I think in our north Atlantic and European arrangements we have both horse and harness, and possibly we should concentrate on the production of hay. So at this time I am not able to state that any special machinery will be set up, as a result of our meeting in London, to carry out the principles of article 2.

I should like to explain the line we took in London on this point. There now exists in Europe a very effective economic organization of European states, the organization for European economic co-operation or OEEC. We do not wish either to duplicate the work of this body or to impede it, because it is doing good work. At the same time it seems quite clear that the economic problems of the western world cannot be solved by a purely European body. Yet we cannot suggest to OEEC that it should transform itself into a north Atlantic council body to make article 2 effective, because it includes a number of states of economic importance which do not belong to the north Atlantic alliance: Sweden, Ireland, Switzerland, Greece, Austria, Turkey, and above all, Germany. In these circumstances, it seems to me that it is extremely important that we should avoid putting ourselves, and the countries of western Europe, in the position of having to make a choice between OEEC and the North Atlantic treaty machinery as an instrument of economic co-operation.

To avoid that dilemma, and as a constructive step forward, the governments of France, Great Britain, the United States and Canada have suggested the possibility that, for the time being, the United States and Canada should enter into informal, but I hope effective, relationship with OEEC. This suggestion was made after consultation with Mr. Stikker, the Netherlands foreign minister, who is chairman of OEEC. I expect that it will be considered by OEEC itself sometime in the near future. The circumstances connected with this decision were made known to the house in a statement by the Prime Minister (Mr. St. Laurent), I believe on May 18. We are hopeful that, whatever form of organization eventually emerges, it will develop into an important agency for social and economic co-operation between free Europe and free North America; co-operation which may one day lead to an Atlantic commonwealth of free states.

Independent of this OEEC development the council, at its meeting in London, and to emphasize its recognition of the importance of article 2, decided to direct its committee of deputies to study and report as to what further action can be taken under article 2 of the treaty. This report is to be made available for the next meeting of the council in September. These studies will refer to both economic and social questions, and consideration will also be given to the possibility of greater co-operation in preparing and making available information about the aims and objects of the north Atlantic alliance. May I quote again, Mr. Speaker, the relative paragraphs of our communiqué, where the council, through its different deputies, was charged with the duty to

> . . . promote and co-ordinate public information in furtherance of the objectives of the treaty while leaving responsibility for national programs to each country;
>
> consider what further action should be taken under article 2 of the treaty, taking into account the work of existing agencies in this field.

While most of the decisions taken at the north Atlantic council meeting were, as I have pointed out, decisions in principle, decisions in principle are of little consequence unless the details are worked out and given effect. We discussed for some time the question of setting up some kind of more permanent machinery to follow up our work, and to see that the work is made as effective as possible. There were two ways by which this could have been done. One was by making the central figure the secretary general, and by building a machine around him, an international secretariat under the north Atlantic council. The other procedure would have been the establishment of a committee, which would meet in more or less continuous session as deputies of the members of the council, and who would be assisted by the necessary secretariat. The latter course was adopted, and the adoption of that course, I hope, will in a sense put the north Atlantic council into permanent session. It is expected that the governments concerned will appoint their deputies shortly, and that the deputies will then elect a chairman who will become, I suppose, the key figure in this permanent machinery which we set up.

The paragraph in the communiqué dealing with this point reads:

> To enable the council effectively to carry out its responsibilities and to exercise them continuously, each government will appoint a deputy to its council representative. Each deputy will be in a position to give whatever time may be necessary to ensure that the responsibilities of the council are carried out effectively.
>
> In the intervals between meetings of ministers, the deputies, duly authorized by their respective governments, will be responsible, on behalf of and in the name of the council, for carrying out its policies and for formulating issues requiring decisions by the member governments.

This committee will have its headquarters in London, and it will not be surprising if the United States member of the committee is chosen as its chairman.

In conclusion, Mr. Speaker, I should like to make a few general observations arising from the meeting in London, and from private discussions which I had there from time to time. I was profoundly impressed by the new spirit of hope in Europe and the United Kingdom. There is certainly no reason of any kind for us to be unrealistically optimistic about what is happening or what may happen, and this is certainly no time for us to lower our guard in any respect. Nevertheless, there is a new feeling of confidence in western Europe itself. Both the United Kingdom and western European countries have made great strides in economic recovery, particularly during the last eighteen months. In this recovery aid from North America has been very important, but the countries themselves, by their own efforts, are primarily responsible for the advances they have made. The recovery of morale in western Europe is perhaps of even greater importance. I think it is not an exaggeration to say that that is due in large part to our North Atlantic treaty, and the action which has been taken under it. By this treaty western Europe has been given assurance that it will not be left alone to face the dark threat from the east. In this connection the military aid being provided by the United States under the mutual defence assistance program is of great importance in strengthening immediately the defences of western Europe.

But here again the European countries of the North Atlantic treaty are not leaning on their oars. They are making great progress, and expending every possible effort to strengthen their own position. The recent French proposal for consolidating western European coal and steel production under a single control is indicative of the imaginative approach to their problems that western European nations are making. That is a very important development, as I see it, the importance of which may be as political as economic. It may mean a long step forward in ending the ancient feud between Gaul and Teuton, which has caused so many dark things to be written on the pages of European history. I believe that this is an example of the new approach by Europeans to their problems, and we can only hope it will be successful, both politically and economically.

It has become increasingly apparent that the nations of western Europe and North America must stick together if they are to assure their economic or military security. The recent north Atlantic council meetings in London have, I think, done something to further cement this essential association.

May I conclude, Mr. Speaker, though it may sound a little egotistical for me to do so, by reading from my own statement at the final session of the council. It expresses my own views better than I could possibly express them in any other language at this time. I said then:

> We have done a good week's work. We came here to take further steps to prevent war by strengthening our determination to resist aggression collectively, and our ability to resist it successfully. We have taken those steps.
>
> We have also strengthened the structure of the Atlantic community, now arising out of the destruction of world war II. Our Atlantic community, which is a part of the larger community of the United Nations, is now strong in the power which freedom gives, and in the freedom which power makes possible. We are coming together for peace and human welfare, in a deeper and more permanent way than could ever be brought about by a military alliance alone.
>
> Nevertheless, the resolutions on which we have agreed, and the words we have uttered, will be of little avail unless our governments and our peoples translate them into action. I am satisfied that this will be done, and that its doing will make a good contribution to peace and human progress.

SUPPLY

Hon. Douglas Abbott (Minister of Finance) moved that the house go into committee of supply.

EXTERNAL AFFAIRS—NORTH ATLANTIC COUNCIL —ECONOMIC ASSISTANCE TO SOUTH AND SOUTHEAST ASIA

Mr. Gordon Graydon (Peel): Mr. Speaker, following the statement of the Secretary of State for External Affairs (Mr. Pearson) in connection with the important mission to London from which he has just returned, I wish to make some comments in connection with this and other matters relating to the present foreign situation.

Whatever may be said in a debate such as this, I think the first words of members on this side of the House of Commons ought to be to the effect that when the Secretary of State for External Affairs spoke in London and took the stand he did with respect to the North Atlantic council decisions he spoke not merely for the government but also for parliament and for the nation, and that parliament and the nation will give him wholehearted and unanimous support in that stand.

I suppose it will be only natural for members of this house who have sat here for a number of years to recall the conditions of previous years and reflect upon the extent to which our foreign policy objectives have slowly but surely made an almost complete

turn from isolation to full-blown co-operation in world affairs. It is a far cry from the day some fifteen years ago when this house heard declarations by virtue of which this country made a hasty retreat from international co-operation in connection with the oil sanctions having to do with the Abyssinian issue. It is a far cry, too, from the days when, just prior to world war II, the government—and the people were perhaps largely behind them—said that they were proud of the fact that this country had no international commitments of any kind whatsoever. It is also a far cry from those days when we were just on the threshold of world war II, and when we debated in this house the problem of Canada's remaining neutral in the event of a world-wide conflagration. But fortunately for our people and for this parliament, those days have gone; and the decisions of the North Atlantic council, which have been so well described by the minister this afternoon, have seen Canada and her friends of the north Atlantic community now going the whole way in burning the last vestige of the bridges of isolation for this country.

The defence of the north Atlantic community is now to be shared by the twelve nations which are signatories to that pact. We had already been committed on principle to that very thing, but this last council meeting did far more than that. It put flesh upon the dry bones of the original pact, and, as a first step, it has translated that principle into the first stages of action. We are now to have, as the minister described it, a specialization with respect to our defence, and balanced collective forces with the minimum of duplication of effort within the north Atlantic community. In other words, each partner is to do what it is best equipped and fitted to do.

Up until now the fulfilment of our commitments under the North Atlantic pact was largely predicated upon one of the signatory powers being the victim of an aggressor. We have now gone the next step forward and have made that commitment applicable before any aggression has taken place. I think it will be evident to everyone in this house that, with this further step forward, when this integration of our armed and economic effort has been effected, we shall have committed ourselves to the policy that we shall not—nor shall any of the nations in the north Atlantic community—any longer follow a go-it-alone policy. Conversely, the collective obligation which we have now assumed to help a nation that is invaded becomes that much stronger. We are now in a community chain, and each link in that chain becomes much more important than it ever was before; because if one link of the integrated defence or economic forces is broken, of course the whole chain itself becomes gravely weakened. In other words, we have joined in a common policy for the defence of the north Atlantic area.

I think all of us had an additional concern in our minds as the minister and the communiqués from time to time brought to the people of this country the message as to what was done at London. We all remember that prior to the last world war great stress was laid upon the alleged impregnability of the then powerful Maginot line. We saw that Maginot line circumvented. We saw it made useless as a defence against aggression. One of the things we have to watch for and to concern ourselves with now is that in this north Atlantic community arrangement, this integrated defence arrangement and plan, we are not isolating our north Atlantic community and are not failing to lay sufficient emphasis upon other parts of the world scene, which parts might easily prove to be the soft underbelly of our whole defence structure, whereby Soviet imperialism might readily avoid striking the strong Maginot line of north Atlantic defence, swing around and outflank us in southeast Asia and other vulnerable areas. We must see to it that the back door to Asia is not left open. I was glad to hear the minister state that there would be a further report forthcoming with respect to the Canberra talks, from which the Minister of Fisheries (Mr. Mayhew) has just returned. I was glad, too, that the Big Three ministers, meeting, as they did, almost concurrently with the north Atlantic council, placed considerable emphasis upon the situation in southeast Asia.

After all, Russian objectives perhaps are not so much pointed at the moment at the stone wall of the north Atlantic defences as they are toward southeast Asia—yes, and toward Japan. The reasons are of course clear to all; because were they to be successful in concentrating their immediate endeavours and their attack on that part of the world, it would mean that not only would key strategic positions be lost to the democratic cause, but there would be a loss of important sources of raw materials in that part of the world, with all the attendant dangers flowing from such a loss.

The loss of Burma, Thailand and Indo-China, and the outflanking of Japan, Okinawa and the Philippines, would leave these latter areas strategically, economically and politically in a position of almost untenability. It needs no stretch of the imagination to see the

position in which our good friends of Pakistan and India, who are not yet self-sufficient in the matter of food, would be placed were such a successful flanking movement to take place.

I am most anxious that while we are balancing our economic and military defences in the north Atlantic community we shall not allow ourselves to become isolated, only to find that the flanking movement around that great economic and defence "Maginot" line has struck in softer and more vulnerable spots. We should, so far as possible, lay as much emphasis as we can upon trying to stop the aggression which is so obviously taking place in southeast Asia, and which, were it carried to the conclusion one can visualize, might easily weaken the structure of the north Atlantic community itself.

I know the people and parliament of Canada will support the government in its practical and realistic efforts to enforce peace against any dangerous combination which understands only the language of force and power. I sat in this House of Commons years ago and heard members from time to time—and they were honest, sincere and patriotic members—offer the considered opinion, which was shared by a great many people in Canada, that if this or any other country attempted to prepare for war, somehow or other it was taking a step toward war and away from peace. How often we heard the statement made—and it was accepted in many parts of the country—that if we manufacture weapons and train men, those weapons and men will be turned against some enemy, and in such endeavours we would be moving toward war.

The period in between the two great wars saw us taking that principle to heart, but the unpreparedness of those days did not bring peace; it brought war. It might not have been the only reason for the war, but in any event it is sufficient to show all of us that our being unprepared did not stop aggression, did not stop the holocaust of a second world war. I believe therefore that the people of Canada are ready to try another principle, are ready to see if we cannot enforce peace and make those who would break the peace keep it by being sufficiently strong to avert attack at any time.

In this tough world, where tough and realistic men are anxious to achieve world domination, we must meet fire with fire. As General Eisenhower in effect said, not long ago in an address at Columbia university, unpreparedness, in the condition in which the world now finds itself, is just as criminal as war itself. I am quite sure that when a few moments ago the minister, on behalf of a peace-loving people, voiced the government's aims in connection with the north Atlantic community, said that it was driving toward peace as the chief objective, he said what the people of Canada wanted to hear. The people of this country do not want preparations for war; they want preparations which will ensure peace rather than have world casualty lists published for a third time.

It is the hope of all members of the north Atlantic community that the realistic movement now being made toward peace may lead to a permanent, just and lasting peace. In return for the support that parliament and the people of Canada will give the government, perhaps in a measure greater than it could have expected, parliament and the people will expect the government to tell the whole unvarnished story with respect to the position in which we find ourselves under these new north Atlantic arrangements. In view of the support thus given, the country is entitled to as much information as can be made public, having in mind security considerations. Canadians can take whatever message in this respect there may be, and will be prepared to shoulder whatever burdens the alliance of the north Atlantic community may involve.

However, having said that Canadians can take it, one must add at once that they should know exactly what the future holds for them on all political fronts. They would like to know whether, in the opinion of the government and those closely associated with it in diplomatic affairs, this means that we are moving closer to peace than to war. They would like to know if this is a step, even though a short and halting one, toward a full-blown north Atlantic political and economic federation.

A few moments ago the minister used the word "commonwealth" in describing the movement of the north Atlantic community. Perhaps this gives more point to the question I have just asked. Do the present activities of the north Atlantic community imply—and I believe the people are entitled to know this—that, one day, through the various steps taken, there will be only an Atlantic army, navy and air force, having in mind the integrating features of the plan just placed before parliament and the people? While in a matter of this kind costs are perhaps a secondary or tertiary consideration, the people of Canada ought to be told what additional cost is involved. After all, if we have to tighten our belts, we ought to know how far we have to tighten them. It is only a matter of information. Whatever may be the cost of peace,

it can never equal the tragic cost of war. I think the Canadian people are ready to assume their full burden. Secretary of State Acheson, informally addressing a meeting of the congress of the United States, indicated in general terms what the United States people would have to face by way of heavier burdens. Our people ought to know that too. It is part and parcel of the information which the government ought to give our public today.

After all, the government may not be able to take the public into its confidence on all military matters that may be involved, but it ought to take the public into its confidence as to how much it expects of them.

The next question I should like to have answered is this: What part in the economic defence plans will Canada play so far as security is concerned? I know the minister was hesitant about that, for reasons which I think were proper; but I hope that as soon as that information can be given, it will be given, subject to security considerations, to parliament and to the Canadian people. In other words, the Canadian people ought to be told the full implications of this new policy of balanced collective defence; because there is no better way of securing and maintaining the unanimous support of the public of Canada, commonsense and responsible citizens that they are, than to tell them the full facts. When they have the full facts, the Canadian people never let their leaders down.

I should like to make one reference, if I may, to the concurrent meetings of the north Atlantic council and the foreign ministers of the United States, Great Britain and France. I think it was fortunate that those meetings were held at the same time, because, as the minister pointed out a few minutes ago, they helped to clarify the situation with respect to economic considerations affecting their respective countries and their relationships with those parts of the north Atlantic community that are in Europe. However, for those in the house who might wish to refresh their memories with respect to what was agreed to by this country in connection with the economic and social aspects of the North Atlantic pact, I should like to read into the record article 2, which reads as follows:

> **The parties will contribute toward the further development of peaceful and friendly international relations by strengthening their free institutions, by bringing about a better understanding of the principles upon which these institutions are founded, and by promoting conditions of stability and well-being. They will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them.**

It has been pointed out by many statesmen of the world that you cannot separate peace from prosperity; they are indivisible. For that reason there is an economic part of the North Atlantic pact which is indivisible in respect to this country. While perhaps in the early meetings the question of military aid had to be emphasized, still I think that Canada, the third trading nation of the world, whose economic prosperity depends upon the economic health of the world at large, realizes that article 2 becomes a vital and important part of the North Atlantic pact.

I summon as a witness to my argument with respect to the economic aspects of the quest for peace the words which were uttered within the hearing of all of us in this chamber the other day by the Prime Minister of Pakistan, who said:

> **But democracy, in Pakistan or elsewhere, is of little use to the common man unless its advantages are made available to him in his daily life and his standard of living is raised at least to a level which gives him a substantial stake in the way of life which he has chosen for himself.**

Then he went on to say:

> **. . . for there can be no progress without peace, no peace without progress and the removal of the economic disequilibrium, so apparent in Asia, which keeps more than half the world in poverty and the ferment of discontent, or without international co-operation, which we believe to be the greatest need of all countries, great and small.**

Another great and powerful statesman, Prime Minister Nehru of India, spoke in this chamber last fall and uttered words just as strong in support of that argument. The economic and social life of the world is bound up in this whole question of striving toward peace in our time. When these matters of defence are being discussed by the deputies, our choice of a permanent deputy for Canada will have been of great importance, because he will have to deal not only with defence problems, but with the equally important problems of the economics upon which the prosperity of this country is so completely predicated.

In connection with the military and economic defence measures that are to be taken, I should like the minister to tell us at a convenient time whether civilian defence was considered at that meeting. The minister pointed out that while civilians were in the front line in the last war, they are going to be in a much more dangerous position in the next war if there is one. I am afraid that civilian defence is quite often overlooked or relegated to the background in our consideration of defence matters. I submit that it should be placed further up in the priority rating, because, after all, safety and security from outside aggression, whether in other

countries or in our own, are of prime importance to the people of Canada as a whole.

I think it is important to realize just how much alarmed the people on the other side of the border are with respect to the matter of civilian defence. I have in my hand the current issue of the *United States News and World Report,* which in one paragraph gives an example of just how much alarmed they may be over there. This is one of the statements made:

Key industries—

This is, in the United States.

—will have to be put 100 feet underground if they are to be assured of protection from the hydrogen bomb that scientists consider a coming weapon. W. Stuart Symington, new head of the national security resources board, is trying to decide how to break the bad news to the public about what civilian defence will cost in preparing against war involving atomic weapons. Idea until now has been to play down the need for vast new programs costing untold millions to provide the public with the protection it would want in another war.

I point that out as one indication of how those in another part of the world feel with respect to this matter.

I also want to ask the minister, if there was any discussion with respect to civilian defence, whether civilian defence formed a part of the integrated defence program of the north Atlantic community. In some places the prospective costs of civilian defence so far as individual nations are concerned may very well be such that they ought to be pooled in the interests of an integrated and balanced collective defence system. I do not mind saying, Mr. Speaker, and I think I reflect the views of many, that, from the information parliament has, Canada is alarmingly and dangerously behind in her plans for civilian defence for the safety and security of our citizens in case of some unwanted eventuality of the future. I should also like to ask the minister if he will indicate at the proper time whether there was any formal or informal discussion while he was in London, of the vexed question of the recognition of the Chinese Red government. Secretary of state Acheson, in answer to one of the questions propounded to him at the unofficial meeting of congress the other day, indicated that there was some slight sliding from the original position which the United States took as to the recognition of the Chinese Red government. He indicated that the United States government were not now prepared to support its entry into the United Nations, or to give it that much recognition, but that they would not veto such a proposal. Perhaps the minister will enlighten us, at a convenient time, as to what changes have taken place in that position during the last few weeks.

[Mr. Graydon.]

I want to come now to another point having to do with our relations with our great and friendly neighbour to the south. In that regard the minister clarified our position in what I thought was an admirable speech he made in London, a speech which was favourably commented upon by many newspapers. Parliament will support him in what he said on that occasion. Nevertheless certain proposals have been made by persons who perhaps carry some weight in the business world of the United States, and perhaps a private member of the house may be pardoned for making certain observations about them at this time. In doing so I want to indicate clearly that I think a nation that has reached maturity in world affairs should avoid, as I am going to try to avoid, the temptation of barking at every wagon that goes by in the international show. Nevertheless I think most Canadians were calmly amused at an article which appears in the current issue of a magazine called *Look* which is published in the United States. The article was written by George E. Shea, Jr., financial editor of the *Wall Street Journal.* I am not going to attempt to read the whole article, because it is lengthy. The heading of the article is, "Why the United States and Canada should be one country". In the article he says:

The frontier between Canada and the United States is becoming today an oppressive cord that threatens to strangle the progress and security of both our countries. Dating back to the revolutionary war, the border for many years has meant little more than an inconvenience. People may have thought idly that it made little sense. But they have put up with it as one submits to any senseless but harmless routine. Now, however, the arbitrary division of the continent is beginning to hurt both countries in two fundamental ways: (1) it is serving to hold back the development of Canada's wealth; and, as our natural resources are gradually exhausted it is also restricting United States economic welfare; (2) it is weakening the ability of the two countries to ensure the military security of the continent in an age of new intercontinental weapons. The time has come to think seriously of making the United States and Canada one country or, to start with, at least one economic unit.

First of all I want to say most sincerely to the author and to the magazine in question that we are very grateful for the highly complimentary things the author said about Canada. We regard it as a very high compliment that a nation as great as the United States should consider a marriage with us, even though it may be a marriage of convenience, with a rather substantial marriage settlement or dowry attached to it; because the author goes on to make one reference that I thought was interesting. He said:

How senseless the frontier is has been pointed up sharply with the recent news of Canada's fabulous oil bonanza in Alberta.

If our point of view would be helpful to the average United States citizen, then perhaps it ought to be stated. I should like to say to the author of the article and to the American people: You are our good and friendly neighbours. Let anyone in the world say anything against you and Canada will rise to your defence. We like you and admire you. We find it easy to work with you. Our nations provide a compelling example of how two nations, one small and one large, can make peaceful relations permanent. You are doing all right, and so are we. Please do not embarrass us with this latest proposal for national marriage. No matter how highly we feel complimented by the offer, we are sorry; we cannot accept the ring.

In addition I want to echo the well chosen words that the minister used in London as to this very point. I think they provide a complete answer. This is what the Secretary of State for External Affairs said in London, as reported in the *Times*:

> In this central theme of his speech, Mr. Pearson carried on the thought of his previous speech to the Pilgrims, when he spoke of Canada as the little fellow between two giants. Canadians, he said, had a special part to play in the world because they were "bilingual, not merely in the French-English sense, but in the sense that we speak English and American." Canada is a North American nation, living an American life and thinking American thought; yet at the same time extremely content and wholehearted in her membership of the British commonwealth.
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> Mr. Pearson was at pains to reassure his audience that his country was not passing through a transitional stage towards becoming a United States satellite; but in thinking they needed any such assurance he was unnecessarily modest. The time is long past when Englishmen could think of Canada as capable of becoming the satellite of anybody.

Now I want to pass to another point, and say to those who were responsible for the article from which I have just read that we might be talking about other and less romantic things than a national marriage between the United States and Canada. There is the question of the renewal of the Hyde Park agreement in some modernized and modified form. Perhaps in that respect I should quote the opinion of some Americans themselves, as it appeared in the current issue of *Newsweek*. This writer, dealing with Canadian affairs, spoke of this very thing:

> As Pearson prepared to give the Commons a fuller explanation of what Canada got itself into at London, a big question was what military contribution Canada could make. The United States-Canada joint defence program had been a onesided affair so far, with Canada using up scarce dollars to buy American parts and equipment. The first Canadian arms sale to the United States since the war will be made in the fiscal year beginning July 1. Purchases between $15 million and $25 million will offset approximately the amount of dominion arms buying in the United States.
>
> Buying and selling: It is not known what Canadian items will be sold. The best guess is medium artillery and special equipment for Arctic warfare. The defence department thinks there is no chance of the United States taking the CF-100, the long-range all-weather Avro jet fighter, which Canada desperately wants to sell.
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> The arms deal represents a modification of the "Buy American Act" which had been construed to prevent such purchases. This removes a long-standing issue between the two countries. Canadians had complained that they had to spend their precious dollars for American military equipment, while the United States always found some excuse for not buying Canadian-made equipment.

That temporary solution is all right as far as it goes, but I should think there is a very great need for a permanent revival of the Hyde Park agreement in some modernized form. I am particularly interested in this, in common with many others who are so very proud of the CF-100, which is manufactured at Malton in the county of Peel, which I represent. Both the management and the workmen who have had to do with the production of that great aircraft take pride in its achievements, and we are hopeful that in time it will find a market in the country to the south.

In my concluding remarks on this matter I should like to deal with the economic aspects of our north Atlantic position as they concern our domestic affairs here at home, because they are interrelated and vital to the success of the pact itself. Although full details of the obligations are not yet known, it is becoming evident that the economic aspects of the Atlantic pact are and will continue to be very much to the forefront in the days that lie ahead, as I was attempting to indicate previously. The Prime Minister foresaw this aspect of the developments as far back as 1948, when the idea of the North Atlantic pact was crystallizing in the minds of government leaders, both in Europe and on this continent. As evidence of this, the Prime Minister's radio speech to the Canadian people on November 11, 1948, called upon us to support the North Atlantic pact. In that speech, obviously with the economic aspects in view, the Prime Minister stated that it was the opinion of the Canadian government at that time that a security treaty such as was proposed could not be fully effective if it was nothing more than a military alliance; and with that I think this parliament agrees. Fifteen days later the Secretary of State for External Affairs, at a press conference at The Hague, stated that Canada would commit herself freely to military measures specific enough for security.

While full details of the obligations of the signatory powers are not yet public, it is evident that as a nation we have made our commitment from the military point of view; and from the size of the estimates for national

defence this year in Canada we are moving toward carrying out these commitments. There is little evidence, and certainly there has been no announced government policy, as to the other and equally important aspects of our responsibilities under this pact, namely the economic aspects, and what we are doing, and more important what we propose to do, in the way of development of our resources to meet the demands that will fall upon this nation in fulfilling our obligations under this pact.

Perhaps before we entered into a balanced, integrated defence policy under the pact there was not the compelling pressure upon us to develop our own natural resources that there is at the present time, though I believe we should have been doing something along that line in preparation for what looked like an obvious eventuality. This aspect of responsibility is equally important in respect to any military measures pledged by this nation, first because it is the sphere of co-operation from which the greatest assistance may rightfully be expected from Canada, and second, because it is the determining factor upon which the extent of the military measures which can be sustained by this nation must necessarily be determined.

As a nation of only fourteen million people we cannot be expected to contribute anything like the numbers of men that could be supplied by some of our allies in the Atlantic pact. What we lack in available manpower, however, because of our population, we more than make up in agricultural, industrial and natural resources, of the very kind any gigantic defence program in modern warfare must have if its efforts are to be sustained and successful. In the last war the contribution made by this nation in material resources, so essential to the success of our own forces and those of our allies, exceeded all expectations. Today the challenge to the defence preparedness of this nation by virtue of our obligations under the Atlantic pact and the ever-present challenge of world domination by communism makes our marvellous contribution in the past pale into insignificance. The demands upon Canada in this particular field will be even greater than ever before in our history.

There is growing evidence that the economic resources of the United States, particularly in the field of raw materials essential to any continental defence preparedness program, are showing signs of becoming exhausted. Considered in the light of expected demands in accordance with obligations under the Atlantic pact, the result is alarming. The most recent issue of the same United States publication from which I quoted just a few moments ago, *Look*, has this to say as to why the United States and Canada should be one country. I quote this paragraph:

> The United States suffers just as much from the frontier. We are losing out especially today because we are turning from a "have" nation into a "have-not" nation.
>
> Whereas we used to ship oil, copper, zinc and lead to the rest of the world, we now have begun to import all of these essential materials. And the proportion of imports in every case seems sure to grow. The same thing is happening in iron ore and timber. We used to be able to produce more of these things than we could possibly use. Now we use more than we can possibly produce.

Then the article goes on to mention other matters with which I shall not weary the house at this stage of my argument; but the main argument is based on the fact that Canada has the natural resources but not the development, while the natural resources of the United States are becoming depleted. We cannot continue to be unmindful of the fact that our failure to develop our natural resources is a source of wonderment to others, even to our most friendly neighbours.

Nor is this assertion of failure to develop our resources to the point where it may be considered as at least equal to our obligations, first for our defence and second under the Atlantic pact, confined to sources outside of Canada. I should like to quote an inside source as well.

Only recently, General Howard, the general manager of the Canadian Industrial Preparedness Association, said this in Ottawa, as reported in the Ottawa *Citizen* of March 30, 1950:

> "There is too much thinking of preparedness in terms of men, arms and munitions when we should be considering how many tons of steel, rubber, lead, tin and even paint we need," Major General C. B. Howard, C.B.E., of Montreal, said in Ottawa yesterday.
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> Speaking on "Canadian industrial preparedness" to a luncheon meeting of the Ottawa branch of the Naval Officers Association of Canada, General Howard, who is general manager of the Canadian Industrial Preparedness Association, said the navy, army and air force were only parts of a plan of defence. Research and industry, he asserted, were equally important in the defence plans of this country.

He went on to outline eight points of a plan for complete mobilization of Canada's material and industrial resources. Some of these might fit in more particularly now, in view of our integrated scheme for collective defence. These were his points:

> 1. Complete mobilization of industrial resources.
> 2. Efficient and effective attention to distribution and employment of manpower in the armed services and in industry.
> 3. Mobilization of Canada's financial resources with mutually satisfactory financial arrangements.
> 4. Distribution to industry of designs and data on all designs not in normal course of production.

5. Adequate and authoritative inspection of design branches to avoid duplication and production of certain items.

6. Storage and distribution arrangements to the armed forces.

7. Supply and storage of materials in short supply.

8. Shadow government department or departments to deal with problems of supply and priorities.

Some of us might be inclined to disagree with some of these proposals, but I mention them all to point up one of the important things about which I am in agreement with General Howard, and that is the importance of developing our natural resources, in view of our extended obligations under the North Atlantic pact.

Unfortunately parliament and the country at large are not in a position to judge accurately whether or not our efforts to develop the resources of this country are adequate under the circumstances, because neither this parliament nor the country has been told the full extent of Canada's obligations under the Atlantic pact. There are, however, grave doubts in the minds of many people, both within and without the boundaries of Canada, as to the adequacy of the development of our resources to meet the demands which would fall upon this nation should the day ever come when the signatory nations to the Atlantic pact find it necessary to defend themselves against aggression. True, our annual defence costs today are not far short of the total ordinary expenditure of the federal government before the last war. True, there must be strict avoidance of panicky overspending, and the taxpayer must be assured that every dollar spent in our defence, whether direct or within our obligations under the Atlantic pact, be spent to the best advantage.

But the Canadian people want some assurance from the government that our resources are being directed into the most profitable channels and in a manner that will assure an adequate defence program; that will make it possible for this nation to carry out its obligations under the Atlantic pact, in the sphere of activity where we can make our best and most valuable contribution. The people also want some assurance from the government that present plans for the development of the resources of this country are sufficient to meet the demands we may expect in this sphere, as a result of the recent decision of the Atlantic treaty conference. Recently press dispatches reported that the Atlantic treaty nations had agreed, by united efforts, to build up a system of defence capable of withstanding any external threat directed against any of them. As a result of this decision, Canada as a nation stands obligated to come to the rescue not only of any signatory nation that is attacked, but to the defence of Europe, under the obligation to build by united efforts with the countries of western Europe "a unified system of defence." This means that our obligations up until now were projected into the future, dependent upon one of the signatory powers being attacked. Today, as a result of this recent decision of the Atlantic treaty council, our obligations are now due. Carrying out these commitments involves the economic phase of our obligations. The second decision, having to do with the creation of balanced collective forces, involves the question of trained manpower, and directly concerns the Department of National Defence.

With regard to our commitments under the economic aspect of our obligations under the Atlantic pact, however, the minister of external affairs should give some indication to parliament and the country just what program the government has in mind. While there may be some justification for secrecy with regard to efforts directed to meet obligations under the collective forces commitment, no such reason exists for secrecy as to plans for the development of the resources of this country and our industrial and agricultural potential.

I should like, Mr. Speaker, to conclude by saying that this is a critical stage in the life of a young, progressive, peace-seeking nation such as ours. It calls for calm fortitude, national unity, and prayerful determination on the part of our people. It calls for the best and most constructive statesmanship parliament can apply. Let us resolve to march as one toward that goal of permanent peace upon which the welfare, happiness, and survival of our peoples are so completely predicated.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, this afternoon we heard from the minister a statement which was interesting, concise and important. I very much regret that it was delivered before a house so sparsely filled. This was due not so much to lack of interest as to pressure of other affairs. This morning we had an important debate on agriculture. Many of the members who were interested in the problem before the house were unable to be present and participate. This afternoon the social security committee, as well as other committees, is sitting. It is unfortunate that this debate is held under these circumstances.

I must say I appreciated the minister's statement this afternoon, and I shall look forward with a great deal of interest to the report to be made by the Minister of Fisheries (Mr. Mayhew) with regard to the Sydney conference. He will place more fully before

the house the discussions with regard to southeast Asia, and the manner in which we can assist the people of that area in building up their economy and their resistance to the threat of totalitarianism. When I speak of "totalitarianism", I am thinking not only of totalitarianism in the communistic form but totalitarianism which does exist, and indeed may extend to some other part of Asia, owing to the reinstatement of other reactionary regimes such as once held sway in those countries. I often think that the democratic powers have been placed in a difficult position with regard to Asia Minor and Asia in that, from time to time, the force of events has compelled them to assist regimes that were anything but democratic or which did not conform in any respect to our democratic viewpoint. I shall therefore be interested in hearing what the Minister of Fisheries (Mr. Mayhew) has to say about the Sydney conference and the aid to southeast Asia.

I was glad to hear the Secretary of State for External Affairs (Mr. Pearson) say that, on his visit to the United Kingdom, he found that both in the United Kingdom and in western Europe there was a new spirit of optimism and that conditions evidently were improving in that area. I think perhaps he is right when he says this is due largely to Marshall aid and perhaps to a greater feeling of security because of the North Atlantic agreement. But, after all, the strengthening of the economies of the western European countries and, indeed, of the economies of the nations throughout the world, is our best assurance against the outbreak of another war. We of this party will continue to give every support to, and to exert every influence we can on, shaping a Canadian international policy directed toward ending the cold war and endeavouring to find a secure basis for future peace. As has been stressed this afternoon both by the minister and by the hon. member for Peel (Mr. Graydon), there is no question about it that the ending of this cold war and the finding of the basis for peace depend in no small measure upon the economic health of the world. We believe that this economic health must be planned more specifically than it has been planned in the past. We need effective planning to raise the standard of living everywhere. We need concrete plans to increase the productivity and means of distribution of the world and to build up particularly the economies of Asia and of Africa, as well as that of Europe, to higher levels and standards. I believe that this involves our steadfast adherence to the principles of the United Nations and its specialized agencies which deal with these particular problems.

We are glad that in recent months and years we have seen specific steps in this direction. We have the success of the Marshall plan in rebuilding the European economy; the recent decisions of the north Atlantic nations at the conference which the minister attended, to increase their economic co-operation under article 2 of the North Atlantic agreement; the adherence of Canada and the United States to such organizations as that for European economic co-operation. Then we have the Schuman proposal to which the minister referred this afternoon. This is one of the most remarkable proposals the world has seen for generations. We have France suggesting that there be an integration of the iron resources of France and the coal resources of what was Germany, with a view to their joint development for the benefit of the whole of the European economy. How this will be done will have to be worked out in the future. I am inclined to think that the problem is a difficult one because you have the tug of war between those who believe that it should be done under various privately-owned organizations and those who believe it should be done under public ownership and organization; and governments, like that of the United Kingdom, which feel the need for public ownership, international ownership and administration, are afraid that the privately-owned set-up would result once again in a great private cartel that might even restrict production rather than expand it and thus defeat the very objective that this great Schuman plan should have in mind.

Then we have the European economic commission of the United Nations, and the other organizations that are subsidiary to the U.N., all of which are working for international co-operation and which are all to the good. No responsible political party and no responsible parliament can fail to recognize that the world today is divided into two parts. We have not hesitated to state where we stand in this matter. We stand with those forces that are determined to retain, to expand and to promote everywhere the democratic ideals of human right and of fundamental freedom. We have recognized and have stated that the cold war is due to the fact that the new imperialism—I think that is the correct description of it—of the U.S.S.R. and its ruthless exploitation of the communist parties everywhere in the European and Asiatic countries are the major threats both to democracy and to peace. We have therefore supported the Marshall plan—and are continuing to do so—the Brussels treaty and the Atlantic pact, all of which seek to unite the democratic world, both for its own defence and also—something which is part of its

defence, of course—for possible international co-operation in the economic field. That is not only the policy of this movement; incidentally it is the policy of the democratic socialist groups and parties throughout the whole of western Europe and indeed the whole of the world. At the same time, in common with such parties, we will continue to oppose anything that seems to be contrary to the principles of the United Nations charter and to the aims of international economic co-operation. We believe that it is equally important to stand against pressures of capitalists who would try to rebuild the world on the old plan of economic imperialism of the pre-war sort and those who want to control the world under the new type of imperialism that is promoted by the Soviet union and her satellites at the present time. We believe that the thing we must do is to join together with all democratic countries in the world in standing firmly against any infringement of freedom and democracy, from whatever quarter it may come.

We are glad indeed that the government, through the Secretary of State for External Affairs, has consistently supported the United Nations and its subsidiary organizations. We think that this country more and more should endeavour to see to it that all the positive agencies of the United Nations should be strengthened and should be used. What we want to see, of course, is the prestige of the United Nations restored at once to the extent to which it has been lost; and I think there has been a loss of prestige in the last year or two. But most of all, we want to see the prestige of the United Nations greatly increased. The hon. member for Peel (Mr. Graydon) mentioned the recognition of the new government of China. That, of course, has been a matter of discussion and controversy in most democratic countries. But it seems to us that when we fail to admit that the new government of China is in power we are cutting ourselves off from four or five hundred million people in Asia.

After all, we have in the United Nations governments that are perhaps more thoroughly dominated by the communist party than is that of China. In this I find myself reinforced by the opinions of Nehru, the government of the United Kingdom, and other people throughout the world who believe that recognition under international law does not mean that recognition of a country implies approval of its government. However, if we want to maintain contact with this great country in Asia, then we should reconsider our position in respect of the new government in China and grant it recognition.

In passing may I observe that I believe a new attempt should be made at the forthcoming meeting of the assembly to reach an agreement on the thorny problem of atomic energy. In a speech over the radio by the Secretary of State for External Affairs (Mr. Pearson) some time ago he seemed to imply that there might be some modification of the position that had been taken, and that there was hope that with some modification agreement could be reached. We have regarded it as essential that whatever is done shall include within the agreement the right of the United Nations authority engaged in atomic energy inspection to be free at all times to examine within every country any atomic energy project and, indeed, anything which may look like an atomic energy project, including the mining of the radioactive material.

I hope a new attempt will be made, because our people are greatly disturbed. Recently a petition was circulated across Canada for the banning of the bomb. In my opinion the petition was deceptive because it excluded the one vital thing, and indeed when it was first presented to me in draft form I refused to endorse it unless a clause were inserted demanding the right of unrestricted inspection in every country of the world by a United Nations commission. Without that, in my opinion the banning of the bomb or the signing of petitions of this kind would not only be ineffective but would lull us into a false sense of security. I wanted to say that, although the matter was not discussed this afternoon.

Economic co-operation must be stressed by the representatives of Canada. I know Canada has been interested in article 2 of the treaty, from the beginning. So far as those of us in this party are concerned, we have laid great stress upon it both in the house and in the country because, after all, to the extent that the nations can improve their economies, just to that extent are we strong and to that extent can we remove the causes of discontent in which some totalitarian ideology may take root and flourish. Again I use the expression "some totalitarian ideology," because, while we may be concentrating upon the communist ideology and its totalitarianism, we must not forget that there is a real danger that, given the right conditions, we may see a revival of something resembling fascism or nazism in European and, indeed, Asiatic countries.

Consequently we need to stress that, as quickly as possible, the economic conditions of the various countries shall be greatly improved. Apart altogether from

the Schuman proposal of international development and control of iron and coal and steel, I believe we need to go beyond that and have some international arrangement so that transport, electricity and some of the other vital and fundamental aspects of our economic life may also be utilized and controlled socially and internationally.

The Schuman plan, in other words, is in our opinion a step in the right direction, and we support it; but it does not go far enough to meet the needs at the present time. Although I do not wish to discuss the matter in detail this afternoon, there is of course the matter of co-operation in all phases of world trade, to improve the trading relationships of countries so that, for example, they may have access to our food supplies, such as wheat, and we may have access to some of the things they produce and which we could use, such as vegetable oils, perhaps, and even raw rubber—although we have a synthetic plant. There would be numerous other commodities which, if available, would enable us to improve our standard of living. Together, then, we could guarantee higher standards and greater freedom for all mankind.

At all times Canada should encourage the forces of progress, wherever they exist, and assist everywhere in the realization of that part of the United Nations charter which calls for the recognition of human rights and fundamental freedoms. If we are going to have racial equality and religious freedom we must see to it that we have no prejudices and intolerances in our own country. In other words, example is better than precept. Every time we permit in our own country something which looks like intolerance, or the refusal to recognize certain democratic rights of association, of speech, of worship or of religion, it is used by the enemies not only of our own country but of democracy throughout the world.

We need political democracy and we need economic democracy as well. We talk about raising the standard of living, so I regret very much that some few months ago our government did not support wholeheartedly and fully the food and agriculture organization plan for distributing food to the needy people of the world. As a matter of fact in the economic and social council Canada opposed international action to maintain full employment.

I think that not only is that a mistake, but that it casts a reflection upon the good faith of our country in connection with its international efforts for a better world. Apart from the North Atlantic pact, which I believe, as the minister said, is an essential part of the United Nations, we should press constantly for the establishment of an international police force under the security council, so that a nation like this, or any other nation in a similar situation, may not have to expend so tremendous a proportion of its manpower, its energies, its basic resources, and what we might call its wealth, upon preparations for military defence. Indeed, those preparations for military defence may very well place in danger the very cause that we have at heart, but as long as we have no security through the security council of the United Nations we must consider ways and means of defending our own country and assisting in the defence of the group of countries with which we are associated.

I welcome the decisions that have been made over the months for the north Atlantic group of nations to co-ordinate their defence preparations, and I believe that Canada must carry out fully her obligations within these agreements and understandings; but I hope the time is not far distant when these obligations will be carried out under the aegis of the security council of the United Nations.

I was glad the minister stressed what he called the division of effort. I think those were the words he used, or they were words to that effect. Indeed this is a new form of division of labour in the world so that we and other nations can decide what we can do best. I held the view, even before the last war—sometimes I was criticized for having said it—that Canada's best contribution could be made in the realm of economic aid. I still think that, should war break out again, in all probability this country would become a greater source of economic aid than it was in the last war. We might even become the arsenal of democracy. That does not mean that we should not participate in the armed forces of the Atlantic group, but I think we should endeavour to see to it that we play our part in the most effective and efficient way that can be determined in consultation with those nations that are united with us under the Atlantic treaty.

I believe the democratic world has the physical, economic and spiritual forces to win, let us say not the war but the peace. I have heard, with a good deal of interest, many leading statesmen of the world state, as President Truman stated only a few days ago, that war is not imminent or inevitable. Nothing is inevitable. I still believe that if we remain strong in ourselves, if we improve the standards of living of the people

across the world and strengthen the democratic institutions in this country and the democratic people with similar institutions, war may never come. That is what we should hope and pray for. But of course we should not live in a fool's paradise, believing, while we may think it is not inevitable, that we are not threatened at the present time by the expansionist demands and projects of communist totalitarianism under the Soviet union. As days go by we must be vigilant lest we find that we are threatened by the expansionist ideas of other great countries in the world. I believe that if we use the economic, physical, spiritual and moral resources that we have we can win through and with like-minded peoples maintain the peace of the world.

Then we might as a nation assist in building a world society from which war will be banished permanently and in which all the peoples of the earth may live in peace and freedom. That of course is what the minister visualized during the course of his remarks —one world. Undoubtedly the day will come when there will be just one world, but we must make sure that we are laying a foundation for a democratic and free world. When there is government at the international level, when there is a freely elected parliament of man, then we shall have achieved the age-old desire of men that war be banished from the world.

As I close, let me emphasize that I believe that that can come only when the resources of the world are used to the advantage of all the peoples of the world and when the standards of living of the world have been raised and poverty, misery, want and disease, as far as those evils are undeserved, have been banished for ever from our midst.

Mr. Solon E. Low (Peace River): Mr. Speaker, I listened with a great deal of interest to the statement made this afternoon by the minister of external affairs and, as was so well said by the hon. member for Rosetown-Biggar (Mr. Coldwell), I look forward to the supplementary statement to be made by the Minister of Fisheries (Mr. Mayhew) following his return from a long journey to India, New Zealand and Australia. While it is in mind, may I say that I would like to have had the minister explain a little more the statements or declarations that came out of the meeting at London having to do with the relationship of the policy laid down there to Africa and the development of the colonial possessions of the various countries in that continent, which I understand has as its objective the final independence of those colonies. Naturally Canada is not very much interested in the continent of Africa, especially as far as colonies or possessions are concerned, but we do have an interest in that we will share, as a member nation in the Atlantic union, in the responsibility when action is contemplated in that country.

The trouble I usually find with the pronouncements that come out of London or ministers' conferences or Atlantic pact meetings is that they are couched in language that nobody can clearly understand. I do not know whether that is done deliberately or whether it is unavoidable, but the fact is that I find they are usually capable of many different interpretations. I wonder if the people who draft them do not expect the average citizen, and I am only one of them, to experience some preconceived emotional reaction rather than to understand some of the objectives we are really struggling to achieve.

I have been watching the press ever since the minister went to London and have been reading the pronouncements that have been made. I must confess that I was not able to make too much of some of them. I found also that the minister's statement this afternoon contained terms that were difficult for the average man to understand fully. I must confess to an occasional feeling of uneasiness about where all these international commitments are going to lead the people of Canada and finally leave us when eventually peace is attained through co-operative action. Sometimes I wonder what the language of the minister envisions. I read a speech he made while he was in London, I believe. On that occasion he spoke of the necessity of surrendering our national sovereignty, as a prerequisite to the achievement of world peace. I wonder exactly what it is that the minister wants Canada to do, and I suppose not only Canada but the other signatory nations. To my knowledge he has never made his views clear in this respect. This is the time to do it, and I think he should do so.

The people of Canada surely ought to know exactly what we are going to be expected to do with respect to the surrender of our sovereignty, our liberty as a nation. I for one am not satisfied with the rather nebulous things that have been said up to this time in that regard. There is a substantial portion of the Canadian people who, like me, wonder if those individuals who are planning the course of world events have not in their minds the final establishment of a world government to which this and all other nations will one day wake up to find that they have surrendered every effective sovereign right they ever possessed. That is the fear in the

minds of a good many people; and, once they are surrendered, it is mighty difficult to get them back.

I speak for all my colleagues when I caution the minister to look out. We think that Canada should be prepared to co-operate with the Atlantic community nations and other nations of the world—but of course we are speaking now more particularly of the Atlantic nations—to the fullest possible extent in any bona fide effort to bring peace and security to this old world. Canada has always conducted herself in the past in such a way that our reputation for honesty and trustworthiness is well known, and is never doubted by anyone in the whole world. That being the case, I contend it cannot be necessary for us to surrender permanently any part of our sovereignty. Our word is our bond. Our actions in the past have so often spoken for us that we should never have to put up any further security to seal our good intentions. Therefore in any integration of our economic and military strength with those of other nations we demand that every safeguard be set up so that the future will not find us short as to our right of self-determination in very important aspects.

The minister should make himself crystal clear as to what he expects Canada and other nations to do in the surrender of their sovereignty. I maintain that the American nations—and I mean all the American nations—must preserve their liberty and never be found in a position where they cannot order their own affairs as they want to order them when it becomes necessary for them to do so, as it doubtless will.

Canadians generally will be pleased to hear that the policy to be followed by the Atlantic nations is not a strategy of, as the minister said this afternoon, the liberation of European countries after occupation and destruction. If he did not use these words he at least implied that the strategy to be followed would be one of defending rather than rescuing. I am all for that, but let me point out, Mr. Speaker, that that is the spirit of the British commonwealth at its best. The British commonwealth has always held defending rather than rescuing as a tradition. That is the principle by which the British commonwealth grew and waxed strong in right and justice.

It must also be comforting for people generally to know that the nations of the north Atlantic union are showing considerable inclination to plan their defences as a team. I do not think that there is any question about the necessity for the strongest and closest possible team work. No doubt the closer and more effective the co-operation amongst these nations the less social and economic disruption there will be within them. No people can be counted upon to do their best if they are discontent or at the point of protesting against the economic burden. The minister said in his address this afternoon that the north Atlantic nations are not concentrating merely on military preparations for strong defensive measures. That was pleasant to my ears. He declared that due regard would be had for the economic and social stability of the member nations now and in the years to come. We Social Crediters as you know, Mr. Speaker, have consistently taken the position that our contribution to the Atlantic pact, and to movements for world peace and security, cannot be very great or effective unless we keep the production of every kind of wanted material and service at a very high level. That is why, in the course of the budget debate this year, we advocated the setting up of a commission to survey Canada's potential productive capacity in order to make sure that we are not overlooking something, to make certain exactly where we stand with respect to our policy to produce the things that we and the world need.

Not only that; we need to know to what extent we can take advantage of our capacity to produce. That is why we have constantly laid emphasis on production. We are glad to see that very important studies are going on at the national research council. There is a committee now studying the affairs of the council. Just the other day when we visited the laboratories on Sussex street we saw some things that gladdened my heart at least, and made me feel very proud of what that body is achieving. One thing that impressed me was that there are certain studies going on with respect to the ability of Canada to become self-sufficient in the production of oils and fats. It was most impressive when I saw what they were doing. I found, for example, that certain scientists are pressing forward with all their strength and ability to help Canadians to know that we have right within our boundaries the source of all the fats and oils that we need for food purposes, as well as those that are being developed in the west for industrial and home use.

I was amazed to find, for example, that we had made considerable strides towards almost self-sufficiency in cooking fats through the use of such common things as rapeseed of which we can produce an almost limitless abundance. They have even gone so far as to recover quantities of palatable and edible cooking fats from the lowly stinkweed and mustard seed that we thought hitherto were just a nuisance to man instead of being a potential blessing if we use them rightly.

There are so many other things that we are finding out, but I heard one of the scientists say, "it burns me up when I find I cannot impress people in this country with the necessity for using these things." It is easy to go out and buy when you have the wherewithal to buy. It is another thing to produce. The mark of a successful nation, of a nation full of vitality, is its ability to make use of the things that are at hand. The only way we can do that is to concentrate our attention upon the findings of the national research council and others who are engaged in investigations of that kind; then, when the information is disseminated, try to direct the minds of our industrialists and our people generally into those channels where they will believe that they should be using Canadian products in so far as they possibly can. Some day we might be called upon to fall back on our own resources, and then if we have the know-how we might be able to prevent unnecessary suffering that might result from impotence.

The minister said little about Germany. I had hoped he might be able to throw a little further light on what he was able to give us in the external affairs committee not long ago. Since he appeared before that committee I believe there have been some important developments, especially in eastern Germany. We are told now that it is known the Russians have been able to organize a fairly substantial army. They call it a secret police body, but in reality it is an army. Just how the presence of that army in eastern Germany affects the security of the people in western Germany, it seems to me ought to be given the most careful consideration. I do not know whether the minister has anything further on it; but, if he has, I for one would certainly appreciate some statement with respect to it when he speaks.

I should also like to have him give us something about the way the western nations are making headway against the determined drive by Russia to win Germany over to the Russian way of thinking; whether or not the combined communist-nationalist cry that is arising in eastern Germany is beginning to take hold in the minds of the people in western Germany. The people of Germany are susceptible to that sort of thing, and especially are they swayed by anything that has the touch of nationalism, particularly nationalism for Germany. It might be that the minister has something he could say to reassure us in that respect, but perhaps he has not.

I should like to join with the member for Rosetown-Biggar in pointing out that, when the food and agriculture organization of the United Nations suggested the world pool idea for the distribution of surplus food, and then the officials of the international monetary fund were allowed to influence them against it, that division of the United Nations lost a great deal of prestige. We have argued this matter many times, but somehow or other there seems to be a disposition on the part of the officials of this country at least to support the action that was induced by the officials of the international monetary fund. The time is coming when that international pooling will prove to be an absolute necessity; it is not far ahead. I am satisfied that the officials of this country who have charge of these affairs must, sooner or later, come to see that that is the only solution to this recurring problem of surplus food materials. The sooner we get at the setting up of that organization the better it is going to be for us all. I know the minister has had little, if anything, to do with that part of our international relations, but I merely echo what the member for Rosetown-Biggar said in his address. It is a very important consideration in future international relations, and may well become one of the great factors upon which international peace and security will be based.

I shall conclude, Mr. Speaker, by saying that I think Canada ought to be prepared to go all-out in its efforts to co-operate to the fullest possible extent with the Atlantic nations in their efforts to achieve world peace and security. I will back the minister in anything he does to achieve these worthy objectives. But it seems to me that one of our most important considerations is now being neglected. I have not heard anything coming out of any of the United Nations organizations, much less the Atlantic union, to the effect that one of the things we must do, if the nations of the world are going to get out of the present impasse and clear away the clutter and debris of the cold war, is to get back to the rule of law. That does not mean just the rule of national law or international law. It has far wider implications than that. Every single blessing that man enjoys is predicated upon a law. If the laws upon which those blessings are predicated are broken, we cannot enjoy the blessings. You can see that in every phase of our activity, our human relationships. We have had floods in our country. I am just as satisfied as I can be that fundamentally those floods that have occurred in Manitoba came as a result of a broken law: men defying the laws of nature, denuding the forests or ploughing up lands that ought to have been left to grass so as to restrain the run-off; that is only an

example. The depletion of our forests is another example of an instance where men are setting themselves up as arbiters, and are defying the natural and fundamental laws. So it is with every aspect of our endeavours with human relationship. I believe that as a nation we ought to be concentrating upon getting people to realize that until they begin to observe law, in every one of its aspects, we cannot hope to achieve world peace. I am looking forward to the day when we shall be engaged actively on a program of this kind, and I pledge the minister my support in everything he undertakes that will lead us to that goal.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I should like to detain the house for just a short time to make a few comments on what has been said. In common with the member for Peel, I find myself in agreement with the line the minister has taken, but I have one or two questions I should like to ask. The first point I want to make, Mr. Speaker, is that I understand these London decisions had to do with the matter of defence, and it is about defence I am going to talk. Of course, we all want to avoid a war, especially those of us who have seen war. We believe too that in so far as we can develop economically we will help to meet the scourge of communism—we all agree with that. But I want to address myself particularly to what the minister said this afternoon with regard to those decisions which have been hailed as most important decisions throughout the world.

One comment I wish to make is that, while the minister said quite enough things to make me feel he regarded this matter as urgent, nevertheless I did not carry away from his speech any sense of urgency at all. On the one hand he told us that we were moving into one world and that we would get there either as a result of peaceful co-operation or through a devastating war. He also said that we had gone a long way in the preparation of a unified defence system. That sounded good. Nevertheless, he also told us these decisions were decisions on principle only, and that many bridges had to be crossed before we could take any action. It is quite true that, compared with what was said about Sydney, he went very far, because with regard to Sydney I had a feeling it was just a shadow of a shadow of the real thing. He was talking about the months or years it would take to get co-operation. If the people of southeastern Asia are hoping much will come from the Sydney conference, I would advise them to change their ideas.

I am making this point, Mr. Speaker, because I think it is extraordinarily difficult at the present time to make the people of this country take a serious view of these dangers. After all, spring is here; the baseball season is opening; people are going fishing and the summer holiday season is coming. It is the hardest thing for anyone to make people believe there is really such a thing as danger about in this country. I feel there is a special duty on the minister. I was quite in agreement with the member for Peace River (Mr. Low), when he said he wished the minister would tell us what Canada is to do, because I have no idea of what Canada is to do. I should like to read an article from the New York *Times*. From that I get the feeling that they had a sense of urgency, that they thought the London discussions meant something and that they thought the decisions had to be followed up quickly. On May 22 the New York *Times* had this to say:

> With the momentous decisions of the London conferences of the Atlantic powers spread upon the record of history, there devolve upon the Atlantic governments and peoples the task and the duty to take speedy and concrete action to transform the paper agreements into living reality.

Those are words which, so far as words can go, suggest a sense of urgency. But I did not get that sense of urgency out of the speech of the minister this afternoon. In the same article later on the New York *Times* said:

> But the first and foremost of all these obligations would seem to be that, beyond all previous technical reservations in the North Atlantic pact, all the nations providing the collective force must be ready to act in concert the instant any one of them is attacked.

Then later on they say:

> For the defection, or even hesitation, of any one nation would immediately and inevitably wreck the whole collective force and expose all to defeat and subjugation.

Those are extremely ugly words, Mr. Speaker; and I submit, with deference, that nobody reading the minister's speech would have such ugly words in mind at all. We had the rather pleasant suggestion that things were better. As a matter of fact, I suppose the only thing that warrants us in believing that things are better in the last two or three months is what happened in Berlin on May 28. As someone pointed out to me this afternoon, let us remember that it was Germans who did that. True, it was Germans with the feeling that behind them there was a common sense of purpose. Nevertheless, there it was.

It seems to me the minister is trying to make the best of two worlds. He says we have got to find out how to have both "guns and butter". Of course, that is true; and I recognize that that is true. In time of peace we cannot suddenly plunge people into great sacrifices or even a part of the sacrifices that they are ready to make in wartime. But again

I say that I do not think the minister has given us any sense of urgency. He did say that western Europe was given the assurance that it would not be left alone to face the threat from the east, and that is good. But again I submit to him that the hon. member for Peace River was perfectly entitled to say that we should like to know from the minister what he wants us to do.

If I might digress just for a moment, Mr. Speaker, I should like to say this. The worst feature about this danger that we face is not the physical destruction and so on, with which we are so familiar; it is the moral destruction. After all, we know what happened in Czechoslovakia. Before the putsch, Czechoslovakia I suppose lived a life much more in accordance with the kind of life we believe in than did any other country in eastern Europe. Yet I am told that the strides communism has made there are perhaps greater than in other countries which seemed in their way of thinking much more amenable to the communist view. I remember in 1940 one of my friends in England sent three little boys out to us to be looked after. He said something that I have not forgotten. He said, "I am not sending these boys out because I am afraid they might be killed; I am sending them out for fear they might be turned into nazis." We therefore I repeat have this thing facing us. As I say, we have to make up our minds whether or not we are prepared to do anything about it. When I say "do anything about it", I mean do something which perhaps means a certain sacrifice even in peacetime.

That able columnist Lippmann points this out in an article on May 22, and I think it applies just as strongly to our own country and indeed to all the other countries. He says:

> Mr. Truman has been inviting the people to dream the American dream of an ever better life in happy and peaceful American communities. Mr. Acheson has made the people feel that they are so gravely threatened that the resources of diplomacy are so nearly exhausted that the situation cannot be righted except by swift increase of American military power.

Later in the article he says:

> The central and critical issue at the London conference was in effect how each of the Atlantic nations was to reconcile its Truman with its Acheson.

May I suggest with deference to the minister that I think he is trying to be a little Truman and a little Acheson at the same time, and that is his difficulty; that is the difficulty of all of us. Nevertheless we have the right, I think, to expect that the minister and the government will give us a lead. Then Lippmann goes on, but I need not go any further with that. I should like to read this quotation from an authority at home, and one which should be received with great respect I am sure, by the minister, at any rate. This is from the Winnipeg *Free Press*. They say:

> It is too early to say whether all the participating governments yet realize the costs or the lengths of the adventure on which they are embarked. Success will involve not only the obvious direct burden of stronger military defences, but the readjustment of economic arrangements by the partners.

I put these things forward because I think they are in point and because these are questions which I think would entitle the minister to give us an answer. The practical aspect of this will be the way it affects our military dispositions, and maybe when we come to the defence estimates we shall get some indication as to whether any practical steps are taken here. It may be thought that parliament would to some extent be taken into the confidence of the government at that time. It is conceivable that this is not the proper time to speak about it. Indeed, I understand that no time is the proper time to speak about it. But I would say in passing that possibly the previous decision with regard to a committee might be viewed differently at this time.

That reminds me of something else, and this is rather a digression but I am sure it will interest all members, particularly those opposite. Yesterday I was reading quite a new book reprinting the speeches which Churchill made at the secret sessions of parliament during the war. He used a phrase there which interested me greatly, and I am sure it will interest all members, whether they agree with it or not. He spoke of the government as being the servant of parliament. To me that was a moving idea, and an extremely novel one. I hope it will be taken to heart and be given consideration across the way.

I have been talking about military aspects but before I sit down I should like to say a word about another aspect of this matter because I do not think anyone thinks we are going to settle this finally by military dispositions. We talk a great deal about our way of life. We say and we believe that it is a better way of life than all others. We could not go on living our life at all unless we believed that there was some kind of moral order in the universe. Believing that, it seems to me that we have got to believe that somehow or other, if we are worthy practitioners of the way of life of which we boast, we may gradually be able to make some impression on the people on the other side of the iron curtain. After all, nobody supposes that the ordinary Russian is any more anxious for war than is anyone sitting in this chamber. He does not want to go to war, but he may be driven into it

by the powers that have control over him now and which apparently, for anything we can see, will control him for an indefinite future. But there he is, and one must go on hoping that there will be means of gradually influencing him, just through events as they pass.

I was greatly interested to find that Gouzenko somewhere said that the thing which convinced him finally that there was something genuine about our way of life, and that it was not all a gigantic hoax, was the election of 1945. Apparently he was impressed by finding that the opposition to the government was actually free to go out and express its views. Of course, we should have liked a great deal more freedom, but nevertheless we were on the whole comparatively free. That is a thing which is worth remembering. It is worth our remembering also how many people who get to this country from the other side of the iron curtain escape before their time comes for going home; and of course the very existence of the curtain itself holds out some hope they believe our way of life is what we believe it is.

To revert to what the hon. member for Peace River said, it we really practise the rule of law, if we really practise racial non-discrimination—and incidentally, that appears to be one place where we have something to learn from the Russians, as I understand it—and the other things, then it may be that there is hope in that direction.

In that connection, I should like to read a word or two from an authority which you will all be interested in and will all respect. The other day Sir Alexander Cadogan, speaking to the graduating class at McGill university, had some wise words to say. He spoke about the need of our being tranquil. He spoke about the need of not giving way to excitement and nervousness. He said quite frankly that we might have many years in which to control ourselves in the same kind of tense situation that we have now. Then he said this, which I thought was most interesting, and I am reading from the Montreal *Gazette* of May 30:

> He warned against fatalistic despair and a current danger of "too easy and hazy optimism, of rather loose and too hopeful thinking." No early or easy solution could be expected; it might take generations to reach the goal.
>
> Meanwhile, free nations should do all possible to provide themselves with defence against attack.

Then there is this part that I thought was particularly apposite, and particularly practical if you take the long view:

> And a positive effort should be made to convert other nations to freedom and out of tyranny. "If we the free nations can put our house in order, labour without ceasing to develop our own resources in peace, contrive that benefits are justly shared, show that our way of life can bring happiness, that freedom of belief, freedom of speech, the right to question and criticize make for material and moral progress and strength," he said, "then it may be that we shall convert others by the teaching of hard facts which cannot forever be suppressed, and that those others may refuse longer to live under the tyranny that now oppresses them."

I suggest, Mr. Speaker, that if we are not prepared to believe that there is something in that, it is hard to go on believing anything at all; and so I put it before you.

I think I have nothing further to add except to say that I think the advice from this great diplomat who, I suggest, has had to "take it", as we say, from the Russians at numerous international conferences in a way that passes my understanding, is something that we can well consider; we may well mark his words. I add that to what I said earlier about defence, and I will close by reminding you of these words that we have heard quoted quite often, and I am going to venture to make one small change in them. You will remember the line from one of Shakespeare's historical plays: "Out of this nettle, danger, we pluck this flower, safety." Nobody now believes that there is any great safety to be plucked but we perhaps might greatly daring venture to change the line to read: Out of this nettle, danger, we pluck this flower, courage.

Mr. White (Hastings-Peterborough): Mr. Speaker, there is another matter to which I wish to refer, if no one else wishes to speak on this present topic.

Mr. Speaker: If the Secretary of State for External Affairs wishes to speak on this subject, he should do so before we change to another subject.

Mr. Blackmore: Mr. Speaker, I should like to ask a question. Is it understood that as soon as this debate finishes we will go into external affairs, call one item and carry on the discussion?

Mr. Green: No.

Mr. Fournier (Hull): No. The minute this motion carries we will call an item in a new department, the Department of the Secretary of State. That item will stand. I understand that if the hon. member for Hastings-Peterborough (Mr. White) speaks on another subject, it will be impossible to continue this debate.

Mr. J. H. Blackmore (Lethbridge): Mr. Speaker, if that is so, I would like to make a few comments on the minister's speech. I feel that all is not nearly as well as it ought to be in connection with our external affairs. Somehow or other I get the idea

that you cannot rely on what men say publicly nowadays, that what they say when they are preparing to go to a San Francisco conference or to a Bretton Woods conference or to some other conference is deliberately designed to veil the truth and to convey, to people who hear and read, something which is altogether different from the facts that underlie what is being said.

I believe that in the case of the Atlantic pact and the developments going forward before us at the present time a similar thing to that is going on. So that the great rank and file of the people simply do not know what is being plotted against their peace. I should like to devote some time to a discussion of that general point of view. I may be wrong, but I am very much afraid I am right.

I should like to refer to an article appearing in the *Christian Science Monitor* of May 27, 1950, page 1, by Roscoe Drummond. From that article I should like to read several quotations which I believe will make very interesting reading for the folks who live out in the country and who do not ordinarily have a chance to read the news as near, shall I say, the root of things. They will be surprised when they hear what Mr. Roscoe Drummond thinks ought to come out of the apparently innocent-looking economic proposals of this most laudable Atlantic pact, which has promised us everything but the millennium, just the way the United Nations did—everything but the millennium. And the Bretton Woods agreement—all we needed to do was to sign that worthless thing, and immediately we would have no more trouble at all, financially and economically! That was just the beginning of all our troubles!

And this is another of the same kind. May I read from this article. These are the things which Mr. Roscoe Drummond thinks ought to be achieved in order thoroughly to implement the economic proposals which constitute an integral part of the Atlantic pact:

1. To hold more frequent meetings of the Big Three foreign ministers in order to concert American, British and French foreign policy.

No serious objection to that.

2. To build up the machinery of the North Atlantic peace alliance so that it can begin to play an economic and political role, not merely a defence role.

What is envisaged by that economic role? What is envisaged by that political role? I am deeply concerned to know what they mean. Then:

3. To put American military leadership at the top of a new supreme western defence staff to bring about a totally integrated Atlantic defence.

What is the meaning of "totally integrated"? I wish I knew.

4. To seize moral and intellectual initiative in the cold war and keep before the whole world the peaceful purposes of the free nations.

Just as though we needed anything to tell the world what our peaceful purposes are. Dear me, we have been voicing them abroad, all over the world, for several years. If they are what we say they are, everybody ought to know by now.

5. To bring Germany into full-scale peaceful partnership economically and politically, with the west.

"Full scale peaceful partnership economically and politically"—sounds very beautiful, but what does it actually mean? Then, a little further on, he begins to particularize. These are the things he would have done if we brought these beautiful words into some sort of implementation:

1. To make the United States nearly a full partner in the development of a union of the western nations.

Now, what would that union be like? What would be meant by "a full partner", or "nearly a full partner"? That is not made clear at all. He does not try to make it clear. It seems to me that we in this debate right here and now ought to know something about what these things mean. Then:

2. To require Britain to decide before long whether it is going to play a role of active leadership in western Europe or whether it is going to force France and Germany to seek a settlement by themselves.

What is meant by "a role of active leadership in western Europe"? Why in the world should there be any group of people whose business it is to be "requiring" Great Britain? This kind of thing absolutely astounds me. Here is a nation that stood out to save mankind twice since the turn of the century, and impudent people like this are talking about requiring her, as though she did not have sense enough to know what she wanted to do, and enough intelligence to go ahead and do it. One would think that the world's major villain was Britain, that she had been responsible for all the ills of mankind for at least two hundred years, instead of having been the saviour of mankind twice in our generation.

It is time we knew something about what all this means. Then he asks this question:

3. Will the United States become a partner in the unification of the western nations?

There is the word "unification" again.

No theoretical answer would seem possible at this stage. But events are moving in that direction.

And then, further down:

It is becoming evident that no realistic defence of western Europe can be had unless it is organized

economically and politically as well as militarily, with America as a participant, not merely as friendly counsellor and aide.

How in the world was it that we came successfully through two great wars in the last fifty years, if it was impossible to organize for successful war, without the ghastly thing which this man envisages? How did it happen? We came through successfully, and Great Britain led us.

It is astonishing, is it not, that, as soon as the United States is to lead, she cannot do the job without all these complications. This is really something that needs a complete explanation, I would imagine. And then, here again:

M. Schuman, in his plan to pool French and German coal and steel production—into which he invites all others who would join—has put the issue in so concrete a form that the British government almost inevitably will have to give a conclusive answer in the next few months.

What does this mean? Does it mean that once again Great Britain is the archvillain in the piece and that all the virtuous nations such as France, the United States and Germany have got to devise means of forcing Britain to declare her hand and to do their will? Again it says:

—and this will effect the whole range of British association with the continent.

That is a most astonishing remark to make. And then again:

There is every reason to believe that M. Schuman's proposal to pool French-German coal and steel production is designed not to keep Britain out of the continent but to encourage, even to stimulate, it to come in.

In the moment or two I have before six o'clock I should like to lay this fact down, one which I think is quite obvious: Along about 1940 or 1941 we began to find propaganda coming through all the newspapers of the land, and especially through United States newspapers, to the effect that the major objective of the war was to disintegrate the British commonwealth. That kind of propaganda has continued right up to the present time.

If the men who were guiding and inspiring that propaganda are the men who are guiding and inspiring the proposals in connection with the Atlantic pact, then, Mr. Speaker, I submit there is grave cause for warning.

The one power that under God has been equal to the task of saving the world twice in fifty years must be destroyed so that she cannot save the world again? I shall continue my remarks after the dinner recess.

At six o'clock the house took recess.

[Mr. Blackmore.]

AFTER RECESS

The house resumed at eight o'clock.

Mr. Blackmore: Mr. Speaker, before six o'clock I was discussing what I feared to be the dangerous implications in what is being said and what has been said in respect of the Atlantic pact. It is not that I desire to oppose anything which appears to be genuinely and scientifically founded on a basis of fact and which gives out frankly all those facts, which explains those facts to the people and shows how its proposals will overcome difficulties which have lain at the base of war, but none of all these good qualities are observable in anything which has emanated as yet from the Atlantic pact or any discussion thereof. I now propose to go into some detail in respect of the matters which I raised.

First of all I should like to take what are likely to be the results of the economic clauses proposed in the Atlantic pact, if the hints which appear in the newspaper reports which I quoted before six o'clock happen to be founded upon reality. Before we take up what might be and what look as though they will be the results of the economic clauses of the Atlantic pact, may we consider for a minute or two what could be if there were an Atlantic organization soundly based. I believe people the world over realize what could be and they are longing and praying in their hearts and trusting that the men who are charged with the responsibility in respect of their affairs in these terrible times will be actuated by genuine and honourable motives to bring about what could be in the world.

We could have a system of mutual aid similar to that which obtained during the war and as a result of which and by the use of which we could have an era of freedom from the danger of international trade competition such as the world has never known. We could have a distribution of purchasing power within each nation on the basis of Social Credit proposals, which I do not propose to discuss. We could have the creation and distribution of purchasing power internationally as though the Social Credit system were going to be applied internationally, which it could be, but which again I am not going to discuss. The result of the application of such a system would be the expansion of productive power and the expansion of the ability of the people of the world to use that productive power. We could have in this world an abundance, or we could have abundance in any portion of the world which we organized into a community such as the

Atlantic pact community, the British commonwealth, the United States or the Dominion of Canada.

But we find not the slightest hint that any one of all the men who have to do with organizing in connection with the Atlantic pact or the United Nations or any of our international organizations contemplates or would tolerate the introduction of such a system of distribution and the consequent encouragement of production. On the contrary, we find a stubborn refusal on the part of those men to even discuss these matters. As a result what is going to follow? If we do not have an expansion and abundance, we shall have restriction and scarcity. Is that what is going to come out of the Atlantic pact? Let us see.

First of all, because we will not adopt a scientific method of distribution we are bound to have a restricted economy and loss of freedom. Let us see what evidence we have that such a thing is being contemplated and is ready to be implemented. I should like to quote from an article headed, "Britain submits objections to the Schuman steel pool plan" which appeared in the *Christian Science Monitor* of May 29, written by Volney D. Hurd, as follows:

> The Schuman plan calls for an overall authority able to override the various participating governments in the field of coal and steel.

I quote again:

> The Schuman plan calls for an arbitrator who would be given the right to make a final decision in the case of a difference between the powers. This, in effect, puts the final sovereignty into the hands of a single man.

Are we to believe that the minister of external affairs and the government of Canada are solemnly and sincerely supporting a proposal under which that can become the case? In our British nations we have fought a thousand years to free ourselves from the domination of one man, and now with reckless fanaticism we have the men in charge of the great British nations actually contemplating, in a fatuous manner, the placing of their collective interests and welfare under the control of one man over whom they can exercise no possible control, either in the matter of his appointment or that of his responsibility after he is appointed.

These men come and tell us that that is the only possible solution they have for war, that that is what the Atlantic pact contemplates! I wonder what has become of my admirable French Canadian friends who on every occasion stand up and fight for provincial autonomy. They stand up here in the house occasionally and seek to break themselves further away from the British connection because they say it is imperialism. Yet they sit tamely and allow imperialism beyond anything the world ever dreamed of to be contemplated right before their eyes. Merely because that imperialism masquerades behind an international front called an Atlantic pact or a United Nations organization! It is high time that the people of this and other nations began to give some attention to what is going on. For example the Schuman plan proposes complete control by a single man over coal and iron. How would Canadians like to be told how much coal or steel they may or may not produce? Just imagine a man issuing an edict from Geneva telling us if he chooses to do so, for example, that we must cease to produce coal in Canada and buy it all from the United States, or cease to produce iron and buy it all from Great Britain. That is implied as clearly as day in the quotations I have read. How would we like to have some one man able to tell us whether we could or could not produce lumber, wood pulp or textiles? It is all implied in those passages I have read, and if the minister cannot satisfy us that those passages do not apply then undoubtedly we must assume that they do.

Suppose we have one man in charge of all these things. I ask where can there be found on earth a man informed enough, wise enough, unselfish enough and free enough from external and hidden influence to govern a dozen nations in respect of trade and industry? Hon. members sit here in the house and find a single minister having more than he can do to handle one department in one nation like Canada. Imagine a man undertaking to handle the trade and industry of seven, eight, nine, ten, twelve or fifteen nations!

Who will control that man if he is chosen? There are three groups, any one or all of which may control him. The first one is the United States of America, the second is international finance and the third may be any one of two or three other evilly disposed international powers. Having him in a place where no parliament on earth can get at him directly, he will be as unanswerable to us for his acts as a super-royal commission with its headquarters on Mars.

What could be achieved by such a union as is contemplated by the Atlantic pact? Face the facts squarely. Suppose there was complete unity of the fourteen or fifteen nations it is proposed to unite in the Atlantic pact. What may we expect to occur? Something similar to what has occurred in Canada. What has occurred in Canada? All members of the house who come from any province other than Ontario or Quebec know what has happened

in Canada. Control over Canada has come to Ontario and Quebec. What has happened in the United States? Industrial and financial control of the forty-eight states of the United States has got into the hands of three or four powerful industralized states in the northeastern part of that country, and all the efforts of all the other states put together cannot remove it. What nation would become the Ontario and Quebec, or the northeastern states of the United States, in the great super nation, dominion or confederation, that would be formed ultimately under the Atlantic pact? Which ones of the nations that are going to be involved will become the sharecropper states of the United States, the southern states that are a scandal and reproach to that country today because it does not know how to distribute among the southern states the good things the nation can produce? Have hon. members taken a moment to wonder whether that might not be Canada? How recklessly we are approaching this whole thing!

Why should the unity of several of these nations render them more prosperous than they are individually? We will grant that a number of nations working together can form a productive unit such as the United States, but the United States has not solved the problems which are just wrecking the world. She has not solved the problem of distribution. In the United States right now, the greatest nation on the face of the earth, there are at least one-third of the people who constitute the submerged third of which Roosevelt commonly spoke. The United States has not solved the problem that is vexing us internationally.

Why has the United States not been able to bring about the distribution which is desirable in that country? She is able to produce practically everything she needs. She has forty-eight independent nations joined in one, all in complete unity. There are no tariffs between them. There is free trade, about which we hear so much in this house. There in non-discrimination in trade that our ministers are almost fanatically declaiming about to us all the time. There is no difference in their currency. They have one common currency. There is convertibility, unified control, everything. Why should not the United States govern themselves as a veritable Garden of Eden? If the nations in the proposed Atlantic pact become united could they employing the present financial system do any better job of distribution than the United States has done in their country? Who will show how they could or would? I do not think we would be very happy about the result.

I should like to ask what necessary improvement would come about in a military way through the union of these various nations with the sacrifice of national sovereignty that would be involved? It has never been shown that their union would necessarily make the whole united group more powerful in a military way than the group was in the last war or in the first world war. We hear no scientific explanation. The people who are proposing the Atlantic pact just assume that it will accomplish these and these and these results. We are just assuming that along with them, and accepting everything with the most implicit faith, as the hon. member for Greenwood (Mr. Macdonnell) expressed himself willing to do this afternoon. It happens that you do not ordinarily get by on just pure faith. You have to have works along with faith!

Most of the talk is completely unrealistic. I challenge any proponent of the proposed Atlantic pact to contradict anything I have said up to the present time and produce the facts and figures to prove what he has to say.

Let us turn to the possible effect on Great Britain. I will say, Mr. Speaker, that the key to our freedom and security today is Great Britain just as she was the key to our security in world wars I and II. If we allow her to be destroyed, to that extent we sacrifice our own probability of security. Great Britain is now beginning to prosper. News reports now show that. There is an article in the *Christian Science Monitor* of May 29 at page 3 entitled, "Britain begins to bask in warmth of prosperity". There is a comment upon the slowness of recovery, but there is positive recovery at the present time. Why has Great Britain's recovery been so slow? Largely because of the international complications and restrictions imposed upon her as a result of world war II when the United States insisted on the Washington loan agreement and Great Britain was forced into the Bretton Woods and San Francisco agreements, and so on. Every one of them restricted her in her freedom to do as she had done before and made her position ever so much more difficult.

Nevertheless, in spite of that, Great Britain has made a very fine recovery up to the present time, but she is in a more or less precarious state. The Atlantic pact could easily wreck the British economy. For what other reason are the British so careful about entering into this measure? It is not because the British are not as anxious for freedom as the other nations who are pressing her to enter into it. For the last thousand years Great Britain has striven for the freedom of mankind and has been ready to make any sacrifice to obtain it. What is there in the Atlantic pact for the British? Primarily the British require three

things. They desire security of sources of raw materials; they have to have security of markets; and they have to have the ability to compete in their own home market. Is there one single solitary thing in the Atlantic pact which will guarantee or help to guarantee these things to Great Britain? If there is, I fail to find it; and if I fail to find it I believe it is because up to the present time no proponent of the Atlantic pact has given anything like a clear definition of how these things could be accomplished in Britain. May I quote from the article "Britain begins to bask in warmth of prosperity" by William H. Stringer, of the London bureau:

> Certainly, it is agreed on all sides, this is no time for relaxing the post-war drive and self-restraint which have built British recovery. Prosperity still is precarious. German and Japanese trade competition must soon be faced. An American recession could shake Britain to its economic roots.

I ask what the Atlantic pact could do to help Britain resist Japanese and German competition. What would it do? What does it propose to do? What do its proponents think they would do? I wager they have never taken the trouble to get down to these matters and think about them at all. They have drifted around, completely drunk with enthusiasm. They have made no proposal, and in what they have said there is implicit no proposal of any concrete value whatever. Up to the present time what has the government of Canada or the government of the United States or any other government under the present economic system done to increase distribution within the nation, except to tax people according to the socialist doctrine and redistribute the results of that taxation? My reply is that they have done absolutely nothing, and I defy any man in Canada to contradict that statement.

Now let us consider such concrete proposals as have appeared in those small portions of the Atlantic pact discussions that have been revealed to us. What is behind the Schuman plan, about which the hon. member for Rosetown-Biggar (Mr. Coldwell) waxed so eloquent and enthusiastic this afternoon? Sometimes I find myself quite at a loss to understand how the hon. member can so completely lose control of his mind when he comes to think of anything international. He seems to think that the moment you get into the international sphere you lift your feet right out of the clay which characterizes this mundane world and go flying off among the clouds where everything is lovely and dreamy and misty and nebulous. So he is exuberant about the Schuman plan; but what does the Schuman plan propose, and why? In the first place the Schuman plan recognizes that German competition in steel and coal is now becoming very keen and very dangerous. That is clearly set forth in a fine article on page 3 of the issue of May 24 of the *Christian Science Monitor* by J. B. S. Halper. The Germans are underselling home producers in Belgium of such products as nuts, bolts and wrenches by some twenty to thirty per cent, after overcoming an eight per cent customs levy. They are underselling Belgium, in South America, in Switzerland and Holland. They are even underselling in France and Luxembourg. Now the Schuman proposal is designed to get Germany under control so it will be unable to continue to undersell these nations. That is the whole reason and purpose of the Schuman plan. Is that not a magnificent proposal for the solution of the causes of war? Think of becoming enthusiastic over such a nebulous and vaporous thing! That strikes one as being quite ludicrous and fantastic. The Schuman plan is called a bar to growing cartelization, in recent issues of the *Christian Science Monitor*. Hon. members can get those issues and read those articles.

The net result, as the information comes to us, is that the only thing proposed by the Schuman plan is the control of cartelization and control of the productive capacity of Germany and her ability to undersell other nations. This is the extent of the guarantee of freedom from war! There is a fine article on page 4 of the June 1 issue of this newspaper headed "Schuman proposal aims to check overproduction" which backs up the sort of thing I am talking about. Considering all these facts, then, upon what is the whole Atlantic pact based economically? It is based merely on restriction of production, scarcity and regimentation. Is this all the people of this generation, after the unbelievable sacrifices they have made in two world wars, can look to as the new heaven and new earth which the prime minister of an earlier day used to promise?

I wish to turn for a moment or two now to the question of the British empire. One of the amazing things to me is that so few people ever take the trouble to say a word of commendation about the British commonwealth. In recent days in this house whenever one speaks of the British commonwealth he tries to leave "British" out of it, and then he tries to say "commonwealth" in a sort of whisper, as though ashamed of it.

What is the minister doing to build up the British commonwealth? As I said before, the greatest guarantee of freedom and prosperity for Canada as well as the nations of the world is the British commonwealth. It is the greatest potential guarantee. It is an instrument which has been tried and proved and found not wanting over the years and

centuries. For one hundred years, from 1814 to 1914, the British kept the world virtually at peace. What happened after the league of nations entered following the first world war, when British power was destroyed largely through the manipulations of the United States? It was not very long until we had another world war, was it? Today the British commonwealth is great in potentiality. The nations composing it are greater in population than those coming under the Atlantic pact.

Then why not organize the nations of the commonwealth? They are willing to work together. They know how to work together. They have shown they can work together. Why try to destroy the British commonwealth and then go racing around hunting a nebulous thing called the Atlantic pact? That is the way any ordinary person will think, I should say. I believe the British commonwealth has a tremendous destiny ahead. I believe the prophecies in the bible indicate that great destiny. Why not endeavour to pursue it, instead of trying to wreck the noble things we have? I want the minister to know straight from the shoulder that there is at least one member of this house who wants him to do everything in his power to cultivate closer relations between the members of the British commonwealth of nations. I want him to know there is at least one member who wants him to do everything in his power to offset the tendency of any organization or individual in this world to undermine the power of the British commonwealth.

I understand there is more than one hon. member feeling as I do, from what I hear about me, and if all the hon. members were here I would wager seventy-five per cent of them would be in favour of what I have said. Yet with the utmost impunity and lack of consideration for the membership of this house and the people of this country, members of this government representing this nation go out and do things that tend to destroy the unity and strength of the British commonwealth. I want the minister to know that I believe in Britain. I believe in her past, in her present and in her future, as I believe in the past, present and future of the British commonwealth. We do not need to slap in the face those who propose an Atlantic pact. Let us do anything that will help improve conditions, but let us not permit ourselves to be led into any traps or complications which will limit or hinder us any more than we are now being limited or hindered.

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, in rising to deal briefly with one or two of the points that have been brought forward in this discussion, I shall try to take the advice of the member for Lethbridge (Mr. Blackmore), and not allow my feet to get too far off the ground, or allow my mind to wander nebulously into those clouds which are supposed to descend upon us when we talk about international affairs. I should like to assure him also that it is no part of the Atlantic pact, or the idea of any of those who participate in it, to weaken in any way the British commonwealth of nations.

Mr. Blackmore: I am very glad to hear that.

Mr. Pearson: The hon. member for Greenwood (Mr. Macdonnell) in his statement this afternoon suggested that in opening this discussion I did not leave the house with any feeling of urgency about the matters under discussion. If I did not it was my inability to express my own feelings, because of course there is a very great sense of urgency about this matter. Indeed, as he pointed out, this sense of urgency is likely to continue for a long time. In dealing with these matters, therefore, we have to deal with a situation of continuing urgency. The hon. member referred to that wise speech of the able and experienced Sir Alexander Cadogan, who cautioned us that this period in which we are now may continue over the years, that we would have to approach the solution of the problems which it involves in a spirit not only of urgency but of coolness. I believe he used the word "tranquillity".

The member for Peel (Mr. Graydon), in following me in the discussion this afternoon, asked me some questions which I confess it will be very difficult for me to answer. He asked, for instance, whether we were moving towards peace or towards war. The member for Rosetown-Biggar (Mr. Coldwell) put the same idea when he asked whether a war was not inevitable. It is indeed difficult to deal with such all-embracing and fundamental questions as those. In my opinion, of course, there is nothing inevitable in human conduct except life and death. War is certainly not inevitable. But the fact is we now live in a sort of twilight zone between peace and war. There are times when we wonder whether that twilight is between darkness and light or between light and darkness. The fact remains that one or the other is bound to follow. If we order our affairs in a wise, firm and unprovocative way internationally, we have no reason to believe that the twilight will not be followed by light. I can assure the house, Mr. Speaker, that I for one do not feel any sense of complacency whatever as I contemplate the international problems that face this country

and other countries. If I gave that impression this afternoon in anything I said, I assure you I did not intend to do so.

It was pointed out this afternoon that statements of principle are all very well, but we do not hear very much in the house about what we are going to do to convert those principles into performance. The member for Peace River (Mr. Low) mentioned that even the language we use in these international documents is ambiguous. I confess that at times at international meetings, where differences of opinion are often important and where the necessity for agreement is so great, there is a temptation to seize on words which may seem to express the lowest common denominator of difference. I do feel, however, that in the recent meeting of the north Atlantic council we did avoid that difficulty and danger in the language of the communiqué in which we expressed our views. It is straightforward and to the point. I would have thought it could have been understood by all the members in this house. If there are any particular words which seem ambiguous to my hon. friend I hope he will let me know what they are, and I shall do my best to make them clear to him.

Mr. Blackmore: I certainly will, on your estimates.

Mr. Pearson: Then the hon. member to whom I have just referred remarked, and his remark was repeated by at least one other hon. member, that he was very worried about all this talk of the surrender of sovereignty. What did we mean, and particularly what did I mean when I used that expression? He went on to say, if I recall correctly and if I am not correct I know he will correct me, that North America must preserve its freedom of action; that we were in danger of weakening ourselves by giving away our sovereignty.

I have never been very worried about this danger. I believe, however, that we should not refer so often to the word "surrender" in connection with sovereignty. What we are trying to do in building up international life and international organization, as I see it, is to put our sovereignty to work, to make it work for us. The only way to do that, as I understand it, is by agreement with like-minded countries, so that we will gain far more from that agreement than we may lose by giving up some of our individual rights. That is the only justification for a surrender of a national right, that we get something more valuable for it. I suggest that is the basis of a good deal of political development. Indeed, it is the basis of the development which led the colonies of British North America to give up some of their sovereign rights in order to form the Dominion of Canada.

The member for Peel asked me whether we discussed, in London, the question of civilian defence. We did not. It was not one of the subjects on the agenda of this particular meeting. Of course, it is one of the most important subjects that face us in the field of defence. But the first consideration of this subject internationally would be through one of the technical committees, I assume, which have already been set up by the north Atlantic organization. He went on to ask us what our particular role might be in this new concept of what we now call balanced collective defence; and how much it is going to cost us. Those are pertinent questions indeed, but I am sure the hon. member will appreciate the fact that the north Atlantic organization has been in being for just over a year. We signed our pact just about a year ago. During that year we have accomplished a great deal. I believe it has been an important and effective year, but we have not yet reached the point where we can estimate the detailed obligations of each member of the pact from the principles which we have adopted. That is going on now through the agencies which we have set up. I confess, Mr. Speaker, I cannot answer his question at this time in a form which I believe would satisfy him. I would only add that I should think that, whatever the cost may be, it will not be too high, as he admitted, for any member of the group to pay if it preserves peace and guarantees security. I would also feel, as the Prime Minister has indicated on previous occasions, that the cost of a group insurance policy should be less than the cost of eleven or twelve individual policies.

The member for Peel also mentioned China. He wondered whether we had discussed that at the North Atlantic council meeting. I should possibly have pointed out this afternoon that, in addition to our North Atlantic council meeting, there was in London at that time a meeting of the foreign ministers of the United States, Great Britain and France. They discussed a great many questions which were not on the agenda of the North Atlantic council, among them China. I am not, of course, in a position to reveal to the house what their conclusions were, although they were good enough to let us see them, because that is something which they will have to give out themselves. The hon. member for Peel was particularly interested in the possibility of there being some change in United States policy towards China as a result of these discussions. He mentioned a statement of the United States secretary of state

the other day which indicated that the United States, although not recognizing the communist government of China itself, would not oppose the recognition of that government in so far as membership in a United Nations agency is concerned if the majority of the members of that agency voted in favour of the communist government being members of it.

Mr. Graydon: They would not veto it.

Mr. Pearson: They would not veto that position. However, as I understand it, that does not represent any change in United States policy over the last two or three months, because I think that was made clear some time ago. The recent statement of the secretary of state does not, I think, mean that there has been any particular change in that situation.

The hon. member for Peel (Mr. Graydon) spoke at some length on the economic obligations of the pact; this matter was referred to by other speakers, and it is indeed an important aspect of the whole affair. He wondered whether we were taking into account, in our plans for national development of our own resources, the obligations which we may have undertaken by article 2. I think I can say, Mr. Speaker, that the obligations that we have undertaken under article 2 are not obligations which would require any special plans for national development, at least until we get more detailed information as to what we will be expected to do as our specific part of this balanced defence. I cannot give any exact information on the point at this time for reasons which I have indicated. When these matters are worked out in detail and the governments concerned come to an agreement as to how they are going to make their special contribution, it may be that we can most usefully contribute, in addition to what we are contributing in other respects at this time, by provision of strategic materials and all that kind of thing; and that may require some special plans on the part of the government. But I think it would be premature to speculate on that point. Certainly until we get more information as to what we should do or might do, speculation would be premature.

Then, departing for a moment from the London meeting, the hon. member for Peel brought to my attention an article in *Look* magazine on Canadian-United States relations; and I think he asked me whether I felt that that article would cause me to modify in any way the statement which I made in the speech in London. I have seen the article in question. It is entitled "Why the United States and Canada should be One Country", by Mr. George E. Shea, Jr. I must admit, Mr. Speaker, that my attention was distracted when I tried to read it, because on the page opposite the article were some extremely interesting pictures of a movie actress called Miss Lana Turner. For my part I felt that those pictures dealt more impressively, more authoritatively and more truthfully with the subject with which they were concerned than did Mr. Shea's article.

Mr. Macdonnell (Greenwood): The hon. member for Peel did not see those pictures.

Mr. Pearson: However, I have the manuscript of my London speech, and I should be glad to read from it so that it may be on the record. The hon. member for Peel mentioned it this afternoon but he quoted from an editorial in the *Times*. I should like to put on the record what I actually did say in London on this matter, and it still represents my viewpoint. I said in London:

> Do not, however, over here—

I meant in England.

> —write us off as a former colony going swiftly through a transitional stage of dominion status prior to becoming a United States satellite. Believe me, that is not true, nor is this the destiny that lies ahead of a country whose future is as bright as any in the world. That future is based on national freedom, on self-reliance and on self-respect. It includes the closest possible co-operation with, but not absorption by the United States.

The hon. member for Rosetown-Biggar (Mr. Coldwell) this afternoon also referred to the important question of atomic energy, a matter which was of course not on the agenda of our council meetings but which must be in the mind of every person these days. He wondered whether we had made any progress in the last few months in seeking for a solution to this vitally important problem. No progress has been made. Though the secretary general of the United Nations has discussed this matter with the governments he has been visiting in the last few weeks, the difficulty that blocked progress two or three months ago still remains, namely the refusal of the government of the U.S.S.R. to allow its representatives to attend the meetings of the committee of five who are searching for a solution to this problem. The refusal, of course, is based on the fact that the Chinese communist delegate has not been admitted to those meetings.

We here have not been happy about this situation and we have been casting about to see if there is any way in which we could get out of this difficulty. We have been in touch with other governments on that point. So far, however, we have not been successful. It is tragic that that kind of political development

should prevent the discussion of such a matter as atomic energy at this time. If we could resume those discussions we would do our best—and I know I am speaking for the other members as well as for the Canadian members of the group—to find out what the foreign secretary of the U.S.S.R. meant last autumn when he said that the government of the U.S.S.R. were now willing to accept a system of adequate inspection and control in return for the abolition of the bomb. He never explained what he meant by that; and until he gives that explanation, it is impossible for us to be optimistic that the Soviet government would in fact be willing to accept conditions which we consider to be absolutely necessary before we outlaw this terrible weapon.

Mr. Coldwell: Will the minister say what those conditions are?

Mr. Pearson: The conditions which have been laid down in a plan to which the great majority of the United Nations members have subscribed include inspection by a United Nations agency, not merely at the suggestion and with the approval of the government of the country in which the installation exists but inspection at any time that the international agency chooses to send its inspectors into that country, with full freedom to visit and to examine what is going on. Until we get that kind of inspection it would be difficult indeed to feel that a declaration banning the use of this weapon and destroying the weapons already in existence would be safe. That is the reason why we have not made more progress. No matter what the members of the communist party and their followers may say, that is the one and, as I understand it, the only great obstacle in the way of some agreement in this matter. But it is a fundamental obstacle that must be removed before agreement can be reached. I think, Mr. Speaker, that those are among the more concrete points raised during the course of the discussion. I know I have dealt with them only in a superficial way, but there may be an opportunity when my estimates are under discussion to go into some of these matters at greater length.

Meanwhile I should like to end my remarks by saying that we have reason to be encouraged by what we accomplished in London during the recent session of the council, but we certainly have no reason to be complacent about that meeting or about the course of international developments generally.

Bancroft, Ontario

REFUTATION OF ALLEGED MISSTATEMENTS CONCERNING BANCROFT AS A TOURIST ATTRACTION

Mr. G. S. White (Hastings-Peterborough): Mr. Speaker, I wish briefly to bring to the attention of the house a matter that affects my own riding and various other ridings in eastern Ontario. I refer particularly to those ridings interested in the tourist business. I direct the attention of the house to an article published in a weekly newspaper, the Montreal *Standard*, in its issue of December 31, 1949, entitled "Bancroft was Tough". This article was written by Mr. Mackenzie Porter. It was slanderous in many respects, untrue in practically every statement made in it and most unfair to all the people of a very large community. It has given the tourist industry much adverse advertising.

One could only wonder how a reporter or a writer, if Mr. Porter can be classed as a reporter or a writer, or the editor of such a Canadian weekly paper could write or publish such an article without first checking or verifying even a few of the glaring untruths and slanderous statements made in this article.

Mr. Gibson: What is the name of the paper?

Mr. White (Hastings-Peterborough): The Montreal *Standard*. Everyone admits that the tourist industry is most important to all parts of Canada. The dominion government, all the provincial governments and many of the counties and other associations have their own tourist departments; and these agencies and departments send out books, maps, pamphlets and other literature to all parts of the North American continent, for the sole purpose of advertising our tourist attractions in the various parts of Canada.

Large sums of money are spent by dominion, provincial and municipal governments. For example, a short time ago a sportsman's show was held at Cleveland. The county of Hastings, in which Bancroft is located, had a booth at this show, and had two representatives from the county there over a period of a week. These two representatives were there for the sole purpose of distributing tourist literature and giving firsthand information with respect to the tourist facilities the county of Hastings has to offer.

For a number of years that county has published a tourist booklet consisting of forty-five pages, entitled "The Highlands of Hastings and the City of Belleville". The hon. member for Hastings South (Mr. Follwell), who resides in the city of Belleville, only last week sent each member of the House of Commons a copy of this very fine booklet which outlines some of the tourist attractions in the county of Hastings. The Peterborough *Examiner* each year puts out a very large special tourist vacation

edition which covers the tourist resorts in the Kawartha lakes district, and in the county of Hastings. The hon. member for Peterborough West (Mr. Fraser) each year sends members of the house a copy of this vacation guide.

I mention these two publications simply to show the extent of the publications and the money spent in advertising the tourist attractions of this section of eastern Ontario. The steady increase in the number of American tourists coming to eastern Ontario, and particularly to Hastings county, and the large number who have purchased land and erected cottages on the sites clearly shows that this method of advertising by means of booklets, maps and advertisements in American papers and magazines has paid good dividends.

It appears to me most unfortunate that at a time when every community which has tourist attractions is doing everything possible to attract American tourists and American dollars to Canada, a large weekly Canadian paper with a wide circulation should go out of its way to publish an article such as "Bancroft was Tough". I am sure anyone reading the article and for the first time learning about this county would never think of going there for a vacation.

Shortly after the article was published I wrote to the Montreal *Standard* pointing out the many errors, and the nature of the slanderous references. After a long delay the editor published only certain parts of my letter. To date the editor of the *Standard* has not seen fit to publish an apology to the thousands of Canadians who reside in the Bancroft district for this most insulting and slanderous attack made against the whole community.

I think all will agree that the press of Canada has every freedom; yet I submit that with that freedom goes the responsibility that no paper should use the power of its pages to slander or to hold an entire community up to ridicule and contempt, as has been done by the Montreal *Standard*. I submit the editor of this newspaper was guilty of the cheapest kind of ethics—if it can even be called ethical—when he printed an untrue, slimy and slanderous story for the sole purpose of attracting attention to the pages of this newspaper, and thereby increasing its circulation.

As for Mr. Porter, who wrote the article, I can only say that I hope Mr. Porter has the guts—and I doubt if he possesses guts of any nature—to return to Bancroft. If he does he will then receive the type of treatment he so justly deserves.

Bancroft is a village of about 1,100 persons. It is located in the northern part of Hastings county. To show the "very primitive conditions and shanty standards", to use the exact words of Mr. Porter in this article, I would mention that about a year and a half ago a new school was opened in Bancroft. This school cost about half a million dollars, and is the finest of its kind in the province. The attendance at the school is about 400, and already plans are under way to enlarge it. Modern busses bring the children to the school daily from the surrounding districts. This school is equipped with every device and every kind of equipment used in modern education. Bancroft possesses a hospital which is not equalled by those in the cities of Belleville and Trenton, which are also located in the county of Hastings. The village has a very fine community hall, a new covered rink, a fine swimming pool—and I am wondering how many other Ontario communities with 1,100 of a population have a modern swimming pool. A modern paved highway connects Bancroft to the south with Belleville, to the west with Peterborough, and to the east with Pembroke and Ottawa. Modern busses provide daily services to these cities and towns.

The village has the hydroelectric service, a modern theatre, paved streets, a very fine tourist hotel—and yet this is the "primitive and shanty standards" town described by Mr. Porter in his article "Bancroft was Tough". When he was in the village of Bancroft he was shown the school, the hospital, the rink, the swimming pool, the community hall and the other attractive features of the community. However, he chose to ignore all these things in selecting material for his article.

Bancroft is located in the centre of the finest tourist district of Ontario. The altitude is very high, and in that district hayfever is unknown. There are hundreds of lakes, rivers, trout streams, rapids, and other ideal spots, all within the northern part of Hastings county, rugged hills with wide sweeping valleys, with lakes and rivers providing scenery that cannot be equalled anywhere in the world. There is a lake, L'Amable lake, which rivals lake Louise. Nowhere else in Canada will you find such varied lakes with so many game fish. But Mr. Porter did not choose to write about any of these attractions, nor did he mention the thousands of ideal camping and cottage sites which are so attractive to United States tourists, all with fine sandy beaches with pines in the background, all ideal places to spend a holiday. Mr. Porter did not mention one single constructive thing about Bancroft as a community. He was shown some of the finest lodges in eastern Ontario but he made no mention of them.

You might wonder what Mr. Porter did write about this community. He chose to write about sex crimes, illegitimate children, shanty standards, intermarriage, deformities, Indians, liquor and various other matters on the same high level. Here is one choice extract from the article:

> The population grew from 6,000 to 18,000, not always through marriage and very little through immigration.

Here is another choice phrase:

> The great-grandchildren of the pioneers scratch for a living.

Another choice extract:

> Compelled by the poverty of the earth to live on shanty standards, they have become disillusioned.

Another one:

> Intermarriage has sapped their vigour and caused much deformity.

Mr. Porter puts these words into the mouth of the Ontario provincial constable stationed at Bancroft:

> When I came here this was the most drunken and immoral area in Ontario.

The constable denies ever making such a statement. The article goes on to refer to criminal offences and Mr. Porter states that many of them were sex offences. These few quotations indicate the nature of the whole article and how little Mr. Porter cared about writing of the true Bancroft. As for sex crimes, I checked with the police authorities and found that it was over three years since there had been a sex crime in the district and then the parties concerned came from the highly virtuous and intellectual city of Toronto.

Apparently Mr. Porter was not interested in writing the truth about this community. He wanted something sensational so he used his limited imagination and vocabulary to use every possible degrading word and phrase simply to make copy. If Mr. Porter had been even a fair reporter he might have told the story of Bancroft's part in the war. He would have pleased everyone in the community if he had mentioned in his article that Bancroft had the fine record of having ten per cent of its entire population in the armed forces, and when I say armed forces I mean the active armed forces. He could have told the story of the Bancroft Red Cross, of the Bancroft bond campaigns. He could have told of the splendid work done by the Bancroft legion.

There was a real story in the history of the Bancroft Lions club, in the large sums of money raised each year. This is a service club that built a covered rink, a service club that made a swimming pool possible, a service club that raised thousands of dollars to assist settlers in a township just south of Bancroft who lost their buildings and belongings in a tornado, a service club that sponsors a very fine regatta each year, a service club that provides sports equipment for young Canadians.

These fine community activities did not interest Mr. Porter. Apparently he thought such things lacked colour. He was not interested in the activities of the community in providing proper supervised sports activities for the young Canadians of the community, nor was he interested in reporting the success of such activities which is reflected in the complete absence of juvenile delinquency cases in the district. Apparently Mr. Porter and the editor, with the idea of printing an article that might increase circulation, deliberately chose to overlook and ignore the facts and the true history of the community and to produce an article on Indians, sex crimes and intermarriage.

I suggest to Mr. Porter and the editor of the *Standard* that they might well read the daily papers of Toronto and Montreal. There they will find daily reports of acts of violence, often murder, and of rape, robbery, theft of cars, assaults on young women and the doings of vicious young city hoodlums who travel in gangs. Where do these crimes occur? Right in the largest cities of Canada, cities that pride themselves on being educated and the cultural centres of the nation.

If Mr. Porter and the editor of the *Standard* wish to do something for the benefit of the whole country then they should write and publish an article that will tell of the true Bancroft. Let them tell of the great attractions there are there. Let them tell of the few places left in Ontario where the beauty of nature is left unspoiled. Let them tell of the place where you will find people who are loyal, who have genuine friendship for their friends. Let them tell the story of the breed of young men that Bancroft produced during the war. Let both these men forget the degrading matters which were included in this article and produce an article about their fellow Canadians of which they may well be proud.

Surely the editor and Mr. Porter are old enough to know that you should never judge a man by the clothes he wears or by the correctness of his grammar, but rather by the contribution he makes to his community. The record of community contribution and progress in Bancroft speaks for itself. I wanted to protest in the strongest way against this article and the serious breach of the freedom of the press by the Montreal *Standard* in publishing an untrue, an unfair

and slanderous article on a very fine, progressive and worth-while Canadian community.

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

DEPARTMENT OF SECRETARY OF STATE

412. Departmental administration, $173,295.

Item stands.

Mr. Fournier (Hull): I move that the committee rise, report progress and ask leave to sit again this day.

Progress reported.

CANADIAN WHEAT BOARD ACT

AMENDMENTS RESPECTING CONTROL OF ELEVATORS AND RAILWAYS, ETC.

The house resumed consideration in committee of Bill No. 252, to amend the Canadian Wheat Board Act, 1935—Mr. Howe—Mr. Dion in the chair.

On section 1—*Constitution of board.*

Mr. Ross (Souris): Could the minister state the average total annual world production of wheat, and what percentage Canada produces?

Mr. Howe: I cannot give that answer at the moment. I shall ask my officials to come down to the floor of the house and hope to be able to give it shortly.

Mr. Ross (Souris): I do not know whether I understood the minister aright this morning, but I believe he said that the Chicago market did not have any bearing on the wheat we sold, that we were getting whatever bids we could. The minister said also there was forty cents difference between the two markets.

Mr. Howe: Thirty to forty cents.

Mr. Ross (Souris): The last quotation over the week end according to the *Globe and Mail* shows two cents difference between Chicago and Canadian No. 2.

Mr. Howe: What location? What basis?

Mr. Ross (Souris): Chicago and Winnipeg. I suppose Winnipeg would be basis Fort William. That is what is in the newspaper quotations for markets.

Mr. Coldwell: Will the minister explain why the number of members is being raised to five?

Mr. Howe: The difficulty is that the board has taken on additional duties. One of them is to represent Canada at the international wheat agreeement organization which has its headquarters in London, England. Another is to market coarse grains. There has been a good deal of illness among members of the board, and there have been two or three changes in the board within the last two years. The pressure of work is heavy and, if the board is reduced from three to two, two members are hardly able to keep up with the work of the board. I am asking the house to make provision for two additional members with the thought that perhaps we will appoint one additional member in the next few months. One member of the present board has been in the hospital for the last two or three months which leaves only two members to function. One of them is on his way to England, and the other has been summoned to appear before a committee of the house which leaves no member of the board in Winnipeg to carry on its work. The provision for additional members is simply a precaution which we may or may not take advantage of. It depends a good deal on whether we can find a qualified man available for appointment.

Mr. Coldwell: That seems a very good reason. I wondered if it was to give more representation to the producers of this country.

Mr. Howe: That is a thought as well, but the main thing is to get men who are competent to sell wheat. I believe my hon. friend thinks that is paramount, and if we can get them from the producers' interests we will of course be interested.

Mr. Fair: Can the minister give us the names of those on the advisory committee?

Mr. Howe: I would refer my hon. friend to page 11 of the annual report of the wheat board which lists the names. They are Lou Hutchinson, Calgary, Alberta; D. I. Walker, Toronto; J. C. A. Nijdam, Winnipeg; F. H. Clendenning, Vancouver; J. Theo Roy, Montreal; J. H. Wesson, Regina; R. C. Brown, Winnipeg; F. Pettypiece, Auld, Ontario; J. A. McCowan, Summerberry, Saskatchewan; P. Farnalls, Halkirk, Alta; and C. E. Hayles, Winnipeg, Manitoba.

Mr. Ross (Souris): The minister was going to give me an answer about the production of wheat.

Mr. Howe: The world production of wheat is about 4 billion bushels and Canada produces from 8 to 10 per cent of the total.

Mr. Ross (Souris): Eight to ten per cent of that.

Mr. Howe: Depending on the size of the crop.

Mr. Ross (Souris): There was another question. I asked the minister two or three times, and he made a statement the other day, about

the "have regard to" clause. I know that he now tries to separate this amendment entirely from the United Kingdom wheat agreement but at another time he insisted they were pretty close together. It would have a bearing on this legislation if the minister could tell us whether there is any basis of settlement arrived at as to the "have regard to" clause in the contract.

Mr. Howe: The "have regard to" clause reads as follows:

> The actual price to be paid for wheat to be bought and sold within the crop year 1948-49 shall be negotiated and settled between the United Kingdom and the government of Canada not later than the 31st December, 1947, and prices for wheat to be bought and sold within the crop year 1949-50 shall be negotiated and settled not later than the 31st December, 1948. In determining the prices of these two crop years, 1948-49, and 1949-50, the United Kingdom government will have regard to any difference between the prices paid under this agreement in the 1946-47 and 1947-48 crop years and the world prices for wheat in 1946-47 and 1947-48 crop years.

That is the "have regard to" clause in the agreement. I suggest that regard was paid in fixing these prices. The price for the first two years of the agreement was $1.55. After negotiation the price for the third year was fixed at $2, and after negotiation the price for the fourth year was fixed at $2. What does my hon. friend read out of the agreement beyond the fact that the price for the last two years would be settled having regard to world prices in the first two years?

Mr. Ross (Souris): The Minister of Agriculture said they had agreed with officials in Great Britain to extend the final settlement until July, 1950. That is next month. He distinctly made the statement in this house that would be the date for the final settlement if there is to be any further settlement with Great Britain for the difference between the world price and this price. That was the final arrangement as nearly as the house knows it.

Mr. Howe: The matter of the "have regard to" clause was discussed in great detail during our sessions with Sir Stafford Cripps and other ministers of the United Kingdom government. The whole situation was reviewed. The United Kingdom is just as positive as I have been in my statements in the house as to what the world price of wheat really was in those periods. My hon. friend said the world price was the price in a local market to which Canadian grain is not permitted access. I wonder what the world price would have been if we had been able to ship our Canadian grain to the Chicago market, which he says is the great criterion for world prices. We went over the agreement while in London. We asked the United Kingdom government what further settlement it is to make on account of the "have regard to" clause. The United Kingdom government took a very strong position that they had fulfilled all obligations under that clause, and so far as the United Kingdom was concerned. We agreed on behalf of Canada that considering all the circumstances that was the case.

Mr. Ross (Souris): Mr. Chairman, I asked the minister about the world production of wheat and what percentage of that amount the Canadian production constituted. He gave me the answer, and I think that is some proof as to what would have happened if we had been using the Chicago market. I do not think that 8 per cent of the world's market would have made the very great difference that he would have us believe.

Mr. Howe: If my hon. friend will excuse me, he is twisting phrases. He did not ask me about the world market for wheat. He asked me about the world production of wheat which is totally different from the world market.

Mr. Ross (Souris): I am not confusing the two at all.

Mr. Howe: Why not stick to one of them?

Mr. Ross (Souris): I asked a direct question and I got a direct answer. I am stating now, in answer to what the minister has just said, that I do not think that the 8 per cent would have made a great difference. The point I want to make now is that I do not recall a difference of 40 cents in recent days between the price of class II Canadian wheat and the Chicago price, which the minister mentioned this morning.

Mr. Howe: The chairman of the wheat board, who should have some knowledge of these matters, tells me that the difference today is between 35 and 40 cents.

Mr. Ross (Souris): Did he say what prices would be compared to show that difference?

Mr. Howe: It is the United States cash wheat price delivered at seaboard as compared with the Canadian cash wheat price delivered at seaboard.

Mr. Ross (Souris): What was the price of Canadian class II wheat last week end?

Mr. Howe: The price at Fort William two days ago was $2.08, to which must be added about 17 cents, which brings it to $2.25 at seaboard. That is the Canadian cash price at seaboard, and that is about 35 cents under the cash price at seaboard of United States wheat for comparable grade.

Mr. Ross (Souris): I well remember the many promises made in this house by the

previous prime minister and the present Minister of Agriculture in relation to this contract. This morning I read a quotation in which the previous minister of trade and commerce pointed out that the wheat producers were making great sacrifices by entering into this contract, and further that this was the factor that governed the cost of living in this country in those times. That is still true today. The Minister of Agriculture and the then prime minister repeatedly stated that the farmers who were making those sacrifices would have that taken into account for many years following the war. However, I take it there is to be no further settlement expected from Britain under that contract?

Mr. Howe: That is correct; but let me point out to my hon. friend that this house did not enter into that contract in a spirit of sacrifice. The leader of the C.C.F. party read an extract from the speech of the leader of the Conservative party of that day in which he said the contract was no good because when the price went down Britain would not honour the contract. He said that very clearly. At that time more people believed that after the war the price of wheat would fall than believed it would rise; and many people entered into that contract in the belief that they were protecting the farmers of western Canada against a sharp drop in price.

No man can look four years into the future with any certainty. I do not mind saying to my hon. friend that I was as sceptical of this contract when it was signed as any man in this house, because I do not like to sell wheat four years in advance of its production. As I said today, I do not like to sell wheat one year in advance of production. It seems very strange that the people who have been most critical of the wheat contract and the way it has worked out are the people who have been most critical of the government for not signing another contract, in other words for not selling n-other crop before it is planted. Well, next year Canada will get the same price for its wheat as any other country exporting wheat. Perhaps that is the complaint of hon. members, namely that there will be no cause for criticism with respect to sales from the new crop, for the reason that the price of Canadian wheat will be no different from the sales of anyone else. I cannot think of any other reason.

Mr. Ross (Souris): The minister said no one entered into this contract with any thought of sacrifice. This morning I quoted the words of his predecessor in announcing the agreement in this house, when he said it was a matter of sacrifice on the part of our farmers. The quotation is on *Hansard* and will speak for itself. Is it the idea after this year, then, to trade through the exchange, as they do in the United States? If there is no contract I suppose that is the way the wheat will be sold, within the terms of the international agreement. Is that right?

Mr. Howe: No, sir. The bill we are asking the house to pass this year provides that the wheat will be pooled and sold by the government at the best price obtainable.

Mr. Ross (Souris): Then what about oats and barley? They also come under this; and we have had one year's experience. I remember the minister announcing last June, I think it was, that the wheat board would handle oats and barley this year. I am not saying he has not carried out his promise, but I can tell you it is not what a great many farmers in the western provinces thought would be done. When the minister announced that the board was going to handle oats and barley they naturally thought it would be on the basis he now says the board is going to handle wheat. Without arguing the pros and cons I can tell you that many western farmers were very disappointed when they realized the way last year's crop of oats and barley had been handled. That is what I am coming to now; and then I want to ask on what basis these feed companies arrive at a price. Do they have fluctuating prices from day to day, or how do they work it?

Mr. Howe: The condition under which the western provinces agreed to enact complementary legislation to that passed in this house two years ago was that oats and barley would be sold at the best price obtainable on any market. The parties to that discussion were representatives of each of the three governments, the president of the Canadian federation of agriculture, Mr. Hannam, and representatives of other grain growing organizations. The grower representatives attempted to extract that promise from me and the other ministers present before they would agree to pass the complementary legislation. This government did not agree, but indicated that since that was the obvious wish of all the farming interests represented, that policy would be followed to the extent that the overriding national welfare would permit.

That policy has been followed. Grain is offered by the board each day to any buyer who comes forward at a price the board considers to be the best price obtainable that day. The complaints that have been made in this house have not been that the price of coarse grains has been too low. There have been far more complaints that it has been

too high. Nevertheless the board has followed the mandate given it by the grain producers of both eastern and western Canada, that the coarse grains of the prairie provinces should be sold at the best price obtainable.

Mr. Ross (Souris): That is what I am trying to get at. I have asked questions before, and have not had very satisfactory answers as to the handling of these grains. For instance, at my delivery point the best grade of oats was paid for at 52 cents a bushel, on the basis of the board's price. It is true that freight and handling expenses had to be added at Fort William, and I appreciate that through their participation certificates those producers will receive a further payment which the minister has estimated at 10 cents a bushel, though I hope it will be higher than that. Not long ago I listened to an hon. member from eastern Canada, I think it was the hon. member for Russell, which is just outside Ottawa, who stated that at that time—and the price of oats has gone up since then—the same grade of oats were selling here at $76 a ton less a subsidy of $6 on freight, which worked out at $1.45 a bushel. That is a great difference in comparison with what the producers have been receiving, and it is easy to see that there has been a great deal of dissatisfaction felt by the feeders of this country, no matter in what part of Canada they live. That is what I was trying to get some information about, as to how that was to be levelled up or settled for, because I presume the statement by the hon. member for Russell was quite accurate, though I have not checked it. That represents a terrific spread between what the producer has received and what the feeder is paying for the same grade of oats.

Mr. Cardiff: Has the government any control over the difference between the price at which the grain is sold and the price at which it is bought?

Mr. Howe: None at all; that is not within federal jurisdiction. It could not be within the federal field unless the province of Ontario follows the example of the three western provinces and passes concurrent legislation which would permit this government to enter that field.

Mr. Bater: Did I understand the hon. member for Souris to say that oats were selling down here at $1.45 per bushel?

Mr. Ross (Souris): The hon. member is probably as good a mathematician as I am; I was not too good a student at school. I said that in a speech delivered by the member for Russell he said that on April 24 this feed cost a certain price, and a little arithmetic will show how that works out. According to my figures it works out at $1.45 per bushel.

Mr. Howe: I think it is a fairly simple problem to know what oats or barley sells for in Ontario. The dealer pays the cash price at Fort William, which is published in the papers each day, with free freight to destination, or practically free freight. There may be some small transportation charges payable, I am not sure about that point. When oats or barley are sold for anything above the price of the cash grain at Fort William the difference represents dealers charges. Dealers charges may be exorbitant or they may not. I suggest they are not as exorbitant as my hon. friend would have us believe.

Mr. Ross (Souris): I am just giving you the figures. I am not making any charge about an exorbitant profit. I do know what we are receiving at the delivery point, and I am simply quoting the member for Russell as to the cost right here. Those are the figures.

Mr. Major: I quoted figures for oats on April 4, and I quoted $1.25 per bushel delivered to the farmers; that was not on rail, but was after the dealer had received them and delivered them to the farmer in eastern Ontario.

While I am quoting these figures I should like to ask the minister if, in setting the prices next year on coarse grains, it could be borne in mind that the price of western grain should be set at a point which would enable the eastern Ontario farmer to use the grain and still market his product at a fair price.

Mr. Bryce: I want to take part in this debate, because I am the man who started it in the house. At that time the member for Russell was complaining about paying $76 per ton for oats, and there were all the expenses that had to be paid. I said that oats were being delivered to the dealer in eastern Canada for approximately $64 per ton. If one looks up the Winnipeg *Free Press* or *Tribune,* one can find that Stanley Jones, president of the Winnipeg grain exchange, said oats were being delivered for $63.32. The oats which were mentioned by the member for Russell gave the dealer a profit of $480 per car. I inquired about the Ottawa and Montreal prices, and they averaged around $70 per ton. There was $6 per ton clear profit, after all expenses were paid.

Mr. Howe: May I point out that anyone who is dissatisfied with the price he has to pay in his district for oats can buy them from the board at the lakehead. The wheat board sells to everyone.

Mr. Tustin: He would have to buy a carload.

Mr. Howe: Yes. If any group of farmers is dissatisfied with the price in their locality they can combine together and buy direct from the wheat board.

Mr. Smith (Calgary West): What proportion of coarse grains are sold through the Winnipeg grain exchange, 98 per cent?

Mr. Howe: Not more than 50 per cent of malting barley and perhaps 70 to 75 per cent of the oats are sold in the futures market.

Mr. Smith (Calgary West): Where do they sell the rest of it?

Mr. Howe: It is sold direct to the consumer.

Mr. Smith (Calgary West): Whereabouts?

Mr. Howe: Wherever he lives. I am not supposed to know where each buyer lives or what he does with the grain he buys. I am saying that amount of coarse grains goes through the futures market.

Mr. Wright: The minister indicated that the board offers grain for sale at all times through different agencies. One of those agencies would be the Winnipeg grain exchange. I should like to ask the minister if at any time the board sold more for future delivery than the receipts of coarse grain during the period in which the sales on the futures market were made?

Mr. Howe: I am advised that they have not.

Mr. Charlton: The minister made a statement that only 50 per cent of the barley was sold on the Winnipeg grain exchange. What percentage of the feed barley was sold on the Winnipeg grain exchange, and what percentage of the malting barley was sold direct to the breweries?

Mr. Howe: About 80 per cent of the feed barley was sold on the futures market.

Mr. Charlton: That does not answer the question. If 80 per cent of the feed barley was sold, we know there was a lot of malting barley sold because you are not accounting for the malting barley at all.

Mr. Howe: About 50 per cent of the malting barley was sold on the exchange as well. About 20 per cent of the feed barley is sold directly to the feeders. It is sold outside the futures' market, and I do not know who buys it.

Mr. Charlton: What percentage of the barley for malting or feed purposes was shipped to the United States?

Mr. Howe: About 75 per cent of the malting barley went to the United States, and practically no feed barley.

[Mr. Howe.]

Mr. Charlton: If an eastern farmer owns and operates a farm in western Canada as well, can he ship grain from that farm in western Canada directly to his farm in eastern Canada?

Mr. Howe: No.

Mr. Charlton: It has to go through the wheat board?

Mr. Howe: Yes.

Mr. Charlton: He has to sell it to the wheat board and buy it back from the man who handles it for the wheat board?

Mr. Howe: My hon. friend can make a very plausible story out of that, but may I deal with it in two parts? First, we will assume that this parliament decided to introduce a compulsory pool in western Canada. This means that every grower in Canada is entitled to the same price for the same grade of barley or oats. I may say that I have heard of this case before. My hon. friend has his farm in western Canada and is, therefore, a western grower. As such he is entitled to the average price for which barley is sold over the year. If he marketed his barley last fall he would get more for his barley from the pool than the market price of that day because there has been a rising market. If he marketed his barley today he would get less from the pool than he would if he could get his grain outside the pool and sell it at current prices. Well, that is pooling.

I sympathize with my hon. friend's desire to get his grain extracted from that pool and sell it independently, either to himself or to somebody else.

Mr. Charlton: He is not selling it at all.

Mr. Howe: Let us look at the theory that he would like to get that identical grain down to his farm in Ontario. The only way by which he could get the identical grain would be to put it in a boxcar and ship it direct to his farm in Ontario. If he did that, he would be very sorry. He would receive no freight assistance on it, and he would find that the average cost of the grain in the pool, added to the freight he would pay for shipping the grain down to eastern Ontario, would give him more expensive grain at the delivery point than he can buy locally. So if he were allowed to handle that transaction, his fellow farmers all over western Canada would lose because they all have an interest in grain that is marketed at a high price. They would be the losers. My hon. friend would be a loser because he would take an expensive way to provide himself with coarse grains in eastern Canada.

Mr. Ross (Souris): Somebody questioned the figures I was using. Then the hon. member for Glengarry I think stated that he spoke that day and used the figure of $70 a ton. I will just quote the member to whom I was referring; it was the hon. member for Russell. This is to be found at page 1559 of *Hansard* of April 4. He said:

> Today the bulk car price for No. 3 C.W. oats is $76 a ton at stations in eastern Ontario less a subsidy of $6 per ton.

Mr. Fair: May I ask the minister what the average price of class II wheat was during the 1948-49 crop year as compared with the $2 a bushel?

Mr. Howe: I cannot answer that question. My hon. friend can get the information when the wheat board is before the committee on agriculture. I believe that will be on Wednesday.

Mr. Smith (Calgary West): The minister said that the wheat board offered coarse grain every day on the market. Do they fix the price at which they offer it, or how do they arrive at it?

Mr. Howe: It depends on the demand. It is sold at the market price of that day.

Mr. Smith (Calgary West): All right. But they are the only people who have any.

Mr. Howe: No. There are other people.

Mr. Smith (Calgary West): They are the only vendors. Tomorrow will be Tuesday; that is, with any luck, it will be. I think this is Monday. As I understand the minister, the wheat board tomorrow will offer what? Will they offer so much barley, or how do they do it? Will they offer 10,000 bushels or 20,000 bushels or what do they offer? Surely it cannot be done in that way.

Mr. Howe: They will offer coarse grains to fill the demands of that day, provided they have coarse grains delivered at the lakehead which enable them to offer that quantity.

Mr. Smith (Calgary West): Then the position of the wheat board is this. They do not fix the price at which they offer at all. What they do surely is to take the buyers' bids and, if they have grain in position—I think that is the expression—to make delivery, they then go on the buyers' bids, surely. What I mean is this. They do not pick the price out of the air. Or do they follow Chicago or Kansas City or something like that?

Mr. Howe: They offer oats and barley on the market at a price which to them seems a reasonable price in view of several factors. One is the demand. If there is an active demand for barley or oats, that has an influence. The price on the Chicago market also has an influence, although the two prices are not comparable. Canadian oats and barley have been selling above the Chicago price. The price of American corn is a factor. There are various factors to be taken into consideration. The officers of the wheat board are trained to analyse those factors and to come up with a price.

Mr. Smith (Calgary West): I know. But surely the price of anything is that arrived at between a willing buyer and a willing seller. Surely their price must be fixed on the applications, orders or offers they have for coarse grains. Is that not the only way it could apply?

Mr. Howe: Whether or not they are a willing seller depends on the offers that are made. They do not accept any offer that is made.

Mr. Smith (Calgary West): Oh, I know that you do a little "David Haruming". I admit that. You probably try to get them up a cent or something of that kind. But surely the basis of the price at which it is sold depends, to use your words, on the offers they have for the grain on that day or the night before. That must be the basis of it, is it not? What I mean is this. The wheat board do not fix it at all. It is the buyers who fix it. Is that not right?

Mr. Howe: Yes.

Mr. Smith (Calgary West): Thank you very much.

Mr. Major: The average price was $1.25 per bushel, delivered to my farm. That is at page 1554 of *Hansard* of April 4. While I am on my feet, let me say this. The minister has I think stated that any group of farmers could buy a carload of feed from the wheat board. Could a farm association in eastern Ontario buy it for their farmers if they wanted to?

Mr. Howe: Yes. Anyone, or any group of people, can buy coarse grain at the lakehead. My hon. friend suggested that the price be held down to a ratio based on the price of livestock. That is one theory of marketing coarse grains, but it is not the theory of marketing that is imposed on the wheat board by the grain growers of the western provinces. If my hon. friend can persuade the growers to accept that formula, the board will be pleased to carry it out.

Mr. Fair: If a formula of that kind is considered, I think you will soon have a demand by western hog and cattle growers for the same freight from all points to Toronto in

order to compensate for the privilege that is being asked for by the hon. member for Glengarry.

Mr. Howe: I said "if".

Mr. Fair: I appreciate that.

Mr. Ross (Souris): To come back to this wheat deal, I have an article before me. I presume the minister is dependent upon the international wheat agreement to sell this over 100 million bushels of wheat to Britain. That is right, is it not?

Mr. Howe: I am depending on the undertaking that Britain's North American wheat will be bought in Canada, and that the price will be the current price within the limits of the international wheat agreement.

Mr. Ross (Souris): There is not anything that guarantees that anybody must buy the wheat within that agreement. They do not have to accept the wheat, do they? They can fall down?

Mr. Howe: Collectively, they must buy the wheat at the floor if it is offered to them at that price.

Mr. Ross (Souris): One article is headed "Canada's Wheat Dilemma", and another "Testing the Wheat Agreement?". The latter reads as follows:

> There have been some recent signs that wheat is being sold under the international agreement at below the maximum price at $1.80 a bushel (U.S. currency). Practically all the purchases have been of American wheat, particularly inferior qualities—

We know that much of their wheat is inferior to ours.

> —and the actual price paid for these substandard wheats was lower than the margin allowed for in the agreement. It is difficult to discern any clear trend from such few facts as emerge about these dealings, and it is well to remember that American domestic wheat is still firm. Importing countries can be required to take up their full quotas only if the price is at the minimum of $1.50 a bushel. In Canada, the "free" market price for wheat has been falling recently, though it is still $2.14 a bushel (Canadian currency). At the moment this is hardly a fair test of the state of the market, since a large portion of Canada's export surplus is withheld for Britain.

The $2.14 figure is the very figure that I have for a day or two on our market here and it is only two cents under the Chicago market. That is rather significant.

Mr. Howe: What Chicago price? Cash wheat?

Mr. Ross (Souris): You can quibble all you like about it.

Mr. Howe: Cash wheat Chicago?

Mr. Ross (Souris): The other day, yes.

[Mr. Fair.]

Mr. Howe: What other day? It must have been a good many days ago if the cash wheat, Chicago, has been within two cents of the cash wheat Fort William.

Mr. Smith (Calgary West): I should like to see if I have been all wrong in my idea of wheat. I am not talking about coarse grain. As I remember the agreement with Britain, it was a short sale of roughly 600 million bushels. The argument advanced was that it was a sale on a recession in price, as I remember it, to begin with. Let me give the government and parliament credit for trying to find a steady long-term market. But that whole agreement, surely, was based on the anticipation as then set out by the then minister of trade and commerce, involving a depreciation in the price of wheat over the years. I do not think I am wrong about that. That was my understanding, in any event.

Time has shown that that anticipation was wrong; the wheat market, instead of falling, advanced. Therefore there can be no doubt, first, that the farmer selling wheat under that agreement, having due consideration for the "have regard to" clause, lost money. There can be no doubt, having made a short sale and the price of wheat having advanced —never mind the price per bushel—the producer of the wheat took a licking. Let me, in opposition, accept whatever responsibility I may have; but the simple fact is that the producer lost a great deal of money because we made a short sale of 600 million bushels anticipating a falling market—and that was completely wrong. The market advanced, and therefore he did lose a good deal of money. Am I wrong in any of the statements I have made?

Mr. Howe: My hon. friend has his thesis; but the fact is that the sale of 160 million bushels of wheat to one buyer for two years and of 140 million to one buyer for two years removed that wheat as a factor in fixing prices. It was taken out of the market. The price recorded in Chicago was the price with that wheat eliminated. My hon. friend is trying to reason that the price would be just as high if that wheat had been sold on the Chicago market. I do not agree with him.

Mr. Smith (Calgary West): I have not any doubt about it.

Mr. Howe: Unless he can prove his thesis, he cannot prove that the farmer took a licking on account of the wheat agreement.

Mr. Smith (Calgary West): I am merely asking if my reasoning was right or wrong.

Mr. Howe: It was faulty, let us say.

An hon. Member: Wrong.

Mr. Smith (Calgary West): Someone says "wrong" who does not know anything about it. But the point I am getting at is this: Am I wrong in my statement as to the argument advanced by the Minister of Agriculture and the then minister of trade and commerce, that this was a short sale of 600 million bushels over a period of years, and at a declining price; whereas the fact was that the price did not decline, but rather advanced.

Can anyone argue that I am wrong in what I say? Supposing the minister has made a short sale of wheat at $2 and the price advanced to $3; he would lose a lot of money, would he not?

Mr. Howe: On the same grain exchange?

Mr. Smith (Calgary West): You would lose a dollar per bushel, on the figures I gave.

Mr. Howe: My hon. friend is talking about price in a very loose way. If I sold wheat at $2 a bushel on the Winnipeg grain exchange, and the price on the Winnipeg grain exchange went up to $3, I would lose a dollar per bushel, yes. But if I sold at $2 per bushel on the Winnipeg grain exchange, and the Chicago price went up to $3, while the Winnipeg price held steady, I would make no loss at all.

Mr. Smith (Calgary West): Now, now, now. After all, with great respect, the minister told me just a moment ago that the price of barley on the Chicago exchange was one of the factors in determining prices of barley or oats today—prices of coarse grains.

Mr. Howe: It is a factor, but not the only factor.

Mr. Smith (Calgary West): And it is perfectly true; we know it to be true, that there is this "arbitrizing", as the traders call it, between grain markets as there is between money markets.

Mr. Howe: No. They used to, but not now.

Mr. Smith (Calgary West): From the illustration the minister gave us, he could not hold wheat at $2 in Winnipeg if it was $3 in Chicago. Nobody in the world could hold it. There just is not any question about that.

Mr. Cardiff: What was the price of oats on the last day on which there was any sale? Perhaps that would be June 1.

Mr. Howe: I suppose the hon. member is referring to feed oats?

Mr. Cardiff: Yes, No. 3.

Mr. Howe: Cash price, Fort William, $1.10 per bushel.

Mr. Harkness: This section provides for an increase in the number of members on the board from three to five, if required. What is the purpose of that, and is it intended to increase the number to five as soon as the bill is passed?

Mr. Howe: I explained that in detail a few moments ago. If I could have all the members in the house at the same time I would not have to go over the same item so often. I pointed out that, of the three members of the board, one has been ill for two or three months. Owing to the pressure at which members of the board have been working, illness has been frequent. Then I pointed out that one member of the board has to appear frequently in London to attend international wheat agreement meetings. I pointed out further that today one member of the board is on his way to London and the other has been summoned to Ottawa to appear before the committee on agriculture—which leaves no member of the board in Winnipeg. I offered the opinion that the work of the board might be improved if the personnel is increased to four or five.

Mr. Harkness: I am sorry I was not here when the explanation was given before. Who are the members of the board at the present time?

Mr. Howe: Mr. McIvor is chairman, Mr. McNamara is vice-chairman, and Mr. Grindley is the third member.

Mr. Harkness: Is that the Mr. MacNamara of the Department of Labour?

Mr. Howe: No.

Mr. Argue: Since we are going to be selling a large part of our wheat this fall under the international wheat agreement, I should like to know if an importing nation under that agreement has the privilege of buying more than its quota within a given price range? My reason for asking is that I have a return of May 22 which shows that very few countries—but there is the odd one—purchase more than their quota. Is it the right of a country to purchase more than its quota within the price range?

Mr. Howe: No, it is prohibited from doing so. It is allowed to purchase its quota within the price; above that it must pay the class II price for the balance. It is the privilege of any country to apply for an increase in quota, which may or may not be granted by the administration. But if it applies for an increase in quota, that increase must apply for the full four years of the agreement.

Mr. Argue: Can the minister tell us, from his own knowledge, how the international

wheat agreement has been working out so far? I mentioned the other day that a number of countries seemed to have purchased very little wheat, even though three-quarters of the crop year has gone by.

Mr. Howe: It seems to have worked very well to date. I would point out to my hon. friend that no country is compelled to take its quota under the agreement unless it is put at the minimum price, and no wheat has been put at the minimum price as yet.

Mr. Quelch: Assume we work out an agreement between the floor and ceiling limit; assume we agree upon a certain price; do we then allow all countries to have wheat at that price or do we work out an agreement with each country?

Mr. Howe: All international wheat agreement countries are quoted the same price on the same day.

Mr. Argue: The importing country can take its quota at the maximum price?

Mr. Howe: Yes.

Mr. Argue: How is it that Italy has purchased only 7 million bushels out of a quota of some 40 million bushels in the first three-quarters of the crop year? Is the reason that she is not demanding the wheat?

Mr. Howe: Apparently she does not require wheat and nobody had put it to her at the floor price.

Mr. Macdonnell (Greenwood): The agreement to which the minister refers was mentioned first in this house last Tuesday. The minister has referred to his expectations of purchases by Great Britain. Is that made possible by some special arrangement under the Marshall plan and its subsidiary organizations?

Mr. Howe: No. I have explained that Canada is not a Marshall plan country. I might go further and say that Great Britain has advised that she does not intend to ask for Marshall plan help in connection with her purchases of wheat during the next year. There is an undertaking by Great Britain that her requirements of wheat from North America will be purchased from Canada.

Mr. Macdonnell (Greenwood): In the narrow sense there may be some force in the minister's statement that Canada is not a Marshall plan country, but I think he will admit that Canada has been getting great benefits from the Marshall plan for years. There is no doubt about that.

Section agreed to.

Sections 2 to 7 inclusive agreed to.

[Mr. Argue.]

On section 8—*Declaration for the general advantage of Canada.*

Mr. Wright: I suppose the reason why 1953 is fixed as the termination date is that the world wheat agreement will be concluded in that year? I should like to see the government go further and not place any termination date in the act. I think the growers of western Canada are interested in having the wheat board maintained and orderly marketing continued and I do not think the act should be limited to 1953.

Mr. Howe: We know the world method of marketing wheat up to 1953 but beyond that we are not sure what method will be used. It seems reasonable to ask parliament to pass on the appropriate character of this act when we do know what the method after 1953 will be.

Mr. Argue: Is that because other countries might be operating on what you would call a free market or free exchange and we would have to consider doing the same thing?

Mr. Howe: I make no suggestion as to what the method will be, I simply say that it seems appropriate that parliament should have a look at the provisions of the act before July 31, 1953.

Mr. Wright: Parliament would be in the same position in any event and it could look at the act if the termination date were not there.

Mr. Howe: It might look at it but it might not deal with it unless there was a provision requiring it to do so.

Section agreed to.

On section 9—*Preamble repealed.*

Mr. Fair: Just before one o'clock and before I had an opportunity to reply the minister stated that the pools had been wrecked because unsound initial payments had been made. The minister knows that the pools are not wrecked, that they are all sound organizations, financially and otherwise.

Mr. Howe: My hon. friend did not interpret my words in the manner I intended them to be interpreted. I said that the pooling of wheat put the operators of the pools in debt. That was the case in 1930 when the provinces came to the rescue of the three pool organizations. In 1931 the situation was so serious that the federal government relieved the pool organizations of their liabilities and took over the marketing of wheat.

Mr. Fair: In 1929 when an initial price of 90 cents, I believe it was, was set, I remember

hauling grain and getting $1.46 at the elevator, Very shortly after that the man-made depression of 1929 started and world prices of wheat fell until it was necessary to bring the initial price down to 70 cents per bushel. The pools were operating on sound business methods but this planned depression threw a monkey wrench in the works and as a result there were losses by the pools. I am glad to say that they have all been honoured and some have already been paid off.

Mr. Argue: The farmers are anxious to know roughly when they might expect the final payment, and I wonder if the minister could indicate whether it might be before Christmas, next spring or at about what time?

Mr. Howe: Every effort will be made to make that payment before the end of the calendar year 1950. The wheat board and the government believe that that can be done.

Section agreed to.

Section 10 agreed to.

Bill reported, read the third time and passed.

SUPPLY

The house in committee of supply, Mr. Beaudoin in the chair.

DEPARTMENT OF VETERANS AFFAIRS

528. Departmental administration, $2,175,279.

Mr. Green: Can the minister tell us whether the imperials who were made eligible for the war veterans allowance under the statute passed within the last few days will be paid as from the first of April of this year if they now apply for that allowance? I would suggest that quite a period be set within which they may apply and have the allowance dated back to the first of April. Will the minister tell us what the position is in that regard?

Mr. Gregg: It would perhaps answer my hon. friend's question more directly if I were to read to him the brief directive that has been sent out quite recently to our district offices. It reads:

Re war veterans allowance applications, veterans of British or allied forces.

Reference is made to confidential letter dated January 11, 1950, concerning the possible applications by ex-imperial (or allied or associated powers) veterans not domiciled in Canada at the time at which they joined the forces for purpose of war service in world war I and world war II. As at that time, the proposed legislation had not yet been drafted, district offices were requested to answer inquiries and to give prospective applicants any information relevant to the preparation of their applications but not to accept applications until further advised.

The bill to amend the War Veterans Allowance Act to render eligible ex-imperial and allied forces veterans to its benefits is now before parliament. The amendment sets the effective date of this proposed change at April 1, 1950.

Therefore it will now be in order to accept applications for war veterans allowance from these ex-members of the imperial, allied or associated forces who appear to qualify.

It will be realized that no action can be taken to adjudicate upon these applications until after royal assent is given to the amending act; but, meanwhile, for the guidance of district offices, the following procedure will be adopted: (a) in the case of those who may have applied or endeavoured to apply on or before April 1, 1950, and would appear to be eligible, their formal applications may be considered to have been submitted and received in the district office as at April 1, 1950.

In other words, I may interpolate, if the bill passes the other place and these applications are accepted then their payments will go into effect as at the first of April, 1950.

(b) As regards those who may have inquired with a view to apply, or applied subsequent to April 1, 1950, their application will be considered as having been received as at the date of the receipt of their inquiry or application in the district office.

That is whether or not the bill has passed all stages at the time the inquiry is received by the district office.

(c) All such applications should therefore be dated accordingly and may now be processed in the usual way.

That is with regard to investigations and so on.

You will be further advised with respect to adjudications upon these applications by the board in Ottawa, or by the district authorities when the proposed changes in procedure, now before parliament, have been authorized.

That is the end of the directive.

In further answer to my hon. friend's question, even in the case of telephone calls or verbal inquiries our district offices have been asked—and I know they will comply—to register those at the time they are received. When the applications are finally checked, if they are approved they will go into effect as from the time of those inquiries.

Mr. Green: I suggest to the minister it would seem only fair to set a date up to which applications may be made and be dated back to the first of April. Many eligible veterans will not have made their applications yet because the act has not been passed. Some of them live in remote districts where it is impossible for them to keep informed of what the position may be. Why not set a date, say the first of October, and say that any application made by that date will be considered to have been made as of the first of April? We actually had hoped that the allowances would be dated back to the 10th of December of last year when the statement

was made by the parliamentary assistant. I suggest, however, that these men be given until the first of October to make application, and that if they apply before that time their allowances will run from the first of April. Is it not possible to do that even yet?

Mr. Gregg: I do not believe there will be any necessity. A good deal of publicity has been given to this matter. A great many applications—I am not speaking in the formal sense but rather of inquiries—were made before the first of April. Others inquired from our representatives here and there, and we are taking these inquiries, verbal or otherwise, as being tantamount to applications. I will be glad to keep my hon. friend's suggestion in mind and give it further consideration if it appears necessary.

Mr. Fulton: I have had inquiries from men in the remote areas to which the hon. member for Vancouver-Quadra refers. Inquiries have been made directly to me as to what was being done about it, in some cases saying that contradictory rumours or reports had reached them, and that they did not know where the matter stood or when to go about making application. I have generally answered by telling them that the legislation was introduced and we expected it to be passed fairly soon. I have suggested that they get in touch with their local legion branch in order to keep themselves informed, and so that they could make their applications as soon as the act was passed and it became certain that the allowances would be granted.

I would certainly assume that in those cases these men have not yet even got to the stage to which the minister has referred, of making an inquiry of a representative of the department, because there is no war veterans allowance representative in that area. They may have made an inquiry of their local legion branch. Again I should imagine records would have been kept at the legion branches which are probably collecting files; but I do not know of any recommendations issued to the legion branches by either the British Columbia command or any other command to forward such applications or inquiries to the Department of Veterans Affairs district office in order that they may qualify under the arrangement the minister has just outlined. In the case of individual inquiries directed to myself and other members, of which we have received quite a number, and again in the case of inquiries directed to legion branches in centres where there is no departmental representative, it is almost certain that such inquiries will not yet be on file with the department. Therefore these men—who are just as interested in this matter as those living in Vancouver or Victoria who have made their inquiries to the department—will be precluded from getting the advantage of the backdating of their applications which the others will get. For that reason I would strongly urge that favourable consideration be given the suggestion of the hon. member for Vancouver-Quadra, even if the minister does not feel that he can put the date as far ahead as October 1. Let him make it July 31, or any date which will give these men a reasonable opportunity to get their applications in so they can be treated the same as the others. I hope the minister will do that.

Mr. Gregg: I can assure my hon. friend that we shall take into consideration the representations that have been made here this evening, and will undertake to put this into operation in a way that will not bring about any unavoidable hardship.

Mr. Herridge: I want to ask just one question, because I have had an experience very similar to that mentioned by the two previous speakers. Has the minister's department notified the national office of the Canadian Legion, or the national offices of other veterans' bodies, advising them to advertise or inform their membership that those who intend to apply should list their names immediately, and so on?

Mr. Gregg: There has been no official advice, but the executives of the two organizations concerned, that is the imperial division of the Canadian Legion and the British-Canadian veterans' association, were in close touch with my department all the way through, and I believe hon. members will recall that some weeks ago the legion had an editorial giving advice to its membership. I know Mr. Jones of the British-Canadian organization has also notified his membership to get their applications in without delay, and to get proof of service and proof of their arrival in Canada.

Mr. Quelch: At the time the Veterans Land Act was before the veterans committee the minister was strongly urged that merchant seamen should be made eligible for its benefits. I recall that the minister at that time stated that in view of the fact that the merchant seamen would be needed on their ships at the end of the war he did not think it would be wise then to bring them under that act. On the other hand, however, he said that some years after the war the situation might be entirely different. At that time there might be unemployed merchant seamen, and it might be possible then to give further consideration to the request that merchant seamen be made eligible under the Veterans Land Act. I am wondering, now

that many merchant seamen are unemployed, whether the government has given consideration to bringing them under that legislation.

Mr. Gregg: No, Mr. Chairman; no such consideration has been given.

Mr. Ross (Souris): A short time ago the minister announced a plan under which veterans other than pensioners could go to military hospitals throughout the country, such as Deer Lodge in Winnipeg, and pay for the treatment they received. I should like to know whether those veterans would have any choice in the matter of the medical practitioner who would look after them, or whether they would simply go there, pay for their treatment, and take whatever medical people were allotted to their cases. Would they have any choice in the matter at all?

Mr. Gregg: Mr. Chairman, when my estimates were before the committee a week or so ago the hon. member for Nanaimo delivered an address on item 528, the administration item. That is quite customary; that was the first item, and we are still on it. I am quite prepared to answer questions, but if my hon. friend would permit I should prefer to answer them when I have my officials before me, and in this case when we come to the item covering treatment.

Mr. Ross (Souris): I should be quite happy to leave it at that; but the difficulty, which I experienced in another matter this morning, is that we have so many committees meeting now; we are sitting morning, afternoon and night, and it is pretty difficult to be in two or three places at the same time. It might happen that I would not be in the committee when these estimates came up. That is the only reason I raised the question now. It is difficult to follow the matters in which you are interested when the committees are meeting and you cannot be in the house all the time.

Mr. Gregg: Then if my hon. friend will accept my answer, which is given without consultation with my officials, it would be that the veteran who elects to go to a D.V.A. hospital for special treatment or service for which he is prepared to pay will be entitled only to the services of the doctors in attendance at that hospital.

Mr. Harkness: There still seem to be a very large number of temporary employees in this department. In the two or three years immediately after the war, when the activity of the department was at a peak, naturally it employed a large number of people whom it could not be expected to retain when that activity declined, so that a great many of the employees were not in the permanent civil service. However, it is now five years since the war ended, and the work of the department has declined as is indicated by the fact that the number of employees has been considerably reduced. Under practically every item, however, I see that the number of temporary employees is still very large in comparison with the number who are permanent.

Under this item there has been a reduction of some 74 employees, but at the same time the number of permanent employees has increased by almost 60; and the temporary employees still number 802 out of a total staff of 1,008. It seems to me that by this time the direction in which the department is going, the number of people who will be required as permanent employees, and those who have proved themselves to be efficient, should have been pretty well determined, and there should not be such a large number of temporary employees compared with the number of permanent employees as we have at the present time. It seems to me that it would give a greater feeling of security to the employees, which would result in greater efficiency in the operations of the department, if a much larger number of those in the department were put on the permanent staff, so they would know they were paying into the superannuation fund regularly, and so on. Would the minister comment on that situation?

Mr. Gregg: I hasten to thank the hon. member for his constructive suggestion, and I can assure him that the point he raises is under constant review. He will bear in mind, however, that my department has had a special type of experience during the last five years. My distinguished predecessor and the deputy minister had to expand the department very rapidly in a very short time at the end of the war. That expansion, as reflected in the estimates, continued from year to year. Now we are in the midst of quite drastic reductions, particularly in certain phases of the work of the department, while at the same time making changes and reclassifications in others. As that work is being carried on we are attempting to decide those positions which will be more or less permanent in nature as compared with those of a temporary character; and while we have not made a great deal of progress we have made some. Running over the whole picture on page 312 of the estimates, it will be noticed that as the hon. member has suggested there are some 74 fewer employees coming under departmental administration here at Ottawa.

May I pause here to refer to the point made by the hon. member for Nanaimo the

other evening, as to why the decrease had not been greater in Ottawa as compared with the districts.

One factor, amongst others which are in the same category, is the fact that the $80,000 in a single item appears in the total under Ottawa administration, which last year was part of the item referred to on page 67 under the heading "terminable services". It will be noted at the bottom of the column, "appropriation not required for 1950-51, $2,176,000". That was the large item for medals, production and distribution. The remainder to carry through that task this year has been transferred into headquarters administration under the item of $80,000.

Referring to personnel again, it will be noted that under departmental administration some improvement has been made in permanencies at a time when 74 have been let out. Under "district administration" there is a total of 194 less this year than last, and again some permanencies have been obtained. Under "veterans welfare services", which is a reorientation of the old rehabilitation services, the lesser number of employees is marked. There is a total of 349 less than last year. Under "treatment services" we were perhaps a little optimistic in our estimate. I shall explain that situation more thoroughly when we come to the supplementaries. I think we shall have to ask for more than we have in the main estimate there, but as shown in the book there are 487 less. Under "prosthetic services" there is only 1 less. In the Canadian pension commission there are 22 less. The war veterans allowance board has 8 more than last year, accounted for by the fact that we will need a few more junior staff to cope with the large number of applications this year. Veterans insurance has 5 less; soldier settlement and Veterans Land Act has 168 less.

I should like to say that, in making those reductions in staff, and this is related to the point made by my hon. friend, particularly for those who are getting along in years, we are undertaking to utilize all the resources of the national employment service and in our own department to assist them in finding new employment. We have had a reasonable amount of success in doing so. The younger veterans of this last war who have been let out have found little difficulty in finding other employment.

Mr. Harkness: Just to be more specific on this point, could the minister tell us how many of those people who are listed as temporary employees this year are likely to become permanent employees before the year is out? Are there any estimates of that?

[Mr. Gregg.]

Mr. Gregg: Perhaps I could take that question as notice, and attempt to answer it later?

Mr. Harkness: The minister has mentioned the older employees of the department who are now being let out. During the past two years a considerable number of cases of this kind have come to my attention, men who were veterans of the first war and who got jobs in the Department of Veterans Affairs during this last war or at the end of it. They are now being let out. It seems to me this is a course of action which should be kept to a minimum. I know there are bound to be some cases of men who are not suitable and perhaps have to be let out, but the department itself maintains a bureau to encourage industry to hire older men, particularly older veterans. A lot of propaganda has been put out, and I think it is something which needs even greater attention than has been given to it. The older veterans have extreme difficulty in securing employment. It would seem to me the department should make every effort possible to retain those employees rather than put them out. As the minister says, there is an attempt to find jobs for them through the employment service, but in many cases that attempt is not very successful.

Has the minister any figures concerning the older veterans who have been released from his department, and how many of them have succeeded in finding other employment?

Mr. Gregg: Mr. Chairman, a survey of the older veterans was completed for the year 1948-49. Perhaps that would answer my friend's question. During that period the older veterans whose services were terminated numbered 193; the number placed in alternative employment, 151. A summary of the remainder is as follows: Declined employment offered, 4; inherited a legacy, 1; over 65 years of age, 9; under treatment, that is in hospital, 3; granted war veterans allowance, 3; considered unemployable, 2; left the district and we have no information, 4; on part-time employment for the present and will go on war veterans allowance, 3; apparently unemployed, 13.

Mr. McCusker: I should like to ask the minister if the department has had sufficient experience with that new type of patient that is being admitted, the one who can afford to pay, to determine whether the department is able to collect from that man? I doubt very much whether any veteran, having availed himself of the facilities of the hospital, will pay for them when he is leaving. He will think he is entitled to that, and therefore the department is going to open it up to all veterans who will demand free treatment.

I would rather have seen them admit more patients, if it is patients they require. Evidently it is their desire to control the medical services, the teaching, and the whole medical profession of the country. It would have been better to admit the lower salaried group. I do not think the department will be able to collect from these men anyway, but you might as well give the advantage to those who can least afford to pay for hospitalization.

I should also like to ask whether it is the intention to expand these hospitals. The war has been over for a considerable period of time, and the demand for hospitalization should be diminishing. I am wondering if the number of hospitals is to be increased, and if so why? I believe the civilian institutions can operate hospitals more economically than the military authorities.

Mr. Gregg: I would prefer to have both questions deferred until the appropriate item in the estimate. I should like, however, to challenge the statement at once that those veterans who are earning their own living, and have completely rehabilitated themselves and have no eligibility due to their service, will not be willing to pay for their hospitalization treatment. They will demand the right to pay the same as a citizen who goes to a civilian hospital.

Mr. McCusker: Has the minister had sufficient experience to enable him to say that? I know it is a fine theory, but has there been sufficient experience with these people to find out?

Mr. Gregg: Our experience has been very short, Mr. Chairman, but we have had no experience to indicate that the fear expressed by the member for Regina City is justified.

Mr. Ross (Souris): I am bound to agree with the question that the hon. member for Regina has raised. In cases quite recently at Winnipeg, at Deer Lodge, I think his suspicion is being borne out as a fact. Our veterans are not all rehabilitated and making good money to that extent. Some of these people will not be able to pay for some time. I feel sure of that. I do not know how many cases there are, but I think that is going to be the question.

This is a follow-up of remarks of the hon. member for Calgary East, as to why the staffs are not being reduced. It is a build-up all through. There is the other item where they are asking for a vote now for hospital accommodation and facilities, and to authorize commitments against future years in the amount of $11,314,414. I do not expect the minister to explain all that at this stage, but I think that is a huge amount to be asking for in a vote at this time for future years when we have certainly been over the peak, I would think, in all of these military hospitals throughout the country. There apparently is a deliberate attempt on the part of the department now to retain the present staff. I think it indicates that the matter I asked questions about a while ago and to which the hon. member has just referred is part of the plan.

They are going to accommodate all the old veterans who wish to apply now. I agree with the minister that in the vast majority of cases, where they can, they would certainly want the privilege of paying; they would pay if they could. But he and I and others know many of our comrades who will not find themselves in a position to pay that amount of money. We all know from actual experience that they just will not be able to do it. That is something you are going to have to face up to. Then in a time like this to be asking for another $11 million and more for future years for hospital development I think will require some explanation.

I think the minister himself will admit that the peak for hospital administration and the consideration of these veterans has been passed and the trend is certainly well on the downgrade. I think you will find many veterans who will not be able to pay for that hospital accommodation. I know of others again, on the question that I raised, who are in a position to pay but they feel that they should have some choice as to the medical attendants they might have looking after their particular cases. I have met applicants in Winnipeg going to Deer Lodge who are not satisfied on that basis, and they are veterans who are in a position to pay. They think they should have some choice as to their medical practitioner. They have pointed out the fact which the hon. member for Regina City has mentioned, that that was simply the department endeavouring to maintain that staff of medical practitioners and other staff now that their real usefulness has passed in this country for the time being.

Mr. Gregg: The matter of hospital accommodation to which my hon. friend has referred is one that I shall deal with when we come to the appropriate item.

Mr. Thomas: I should like to get some clarification on the matter of applications by the imperial veterans. Are we to understand that any applications made after this date or after the date of the minister's letter will not be retroactive till the first of April? Or is it merely for a matter of handling that their time will not be backdated? Are we to understand that only the applications that have already been received for the veterans allowance will be made retroactive to April 1?

Mr. Gregg: I stated that we were attempting to treat as applications all inquiries from those veterans regarding this matter; and if those applications were received before April 1 and later approved, the benefits would date from April 1. If they have been received after April 1, between April 1 and whatever date the bill receives the royal assent, we would take the date of inquiry or application as the starting time. But I also indicated that I should be glad to look into the whole question of applications and make sure that no avoidable hardship was experienced by the applicant.

Mr. Thomas: In other words, if an application were to be received by the minister or by the department today, then the benefits would not start as of the first of April but would start today. Is that correct?

Mr. Gregg: I want to make sure about the suggestion which was made here, that that applicant, through circumstances beyond his control, may have been unable to get that application in by the first of April. If he had wanted to make it and had been unable to do so, I should like to give it further consideration.

Mr. Thomas: That just brings up this point. On several occasions veterans have written to me with regard to the allowance. I wrote back to them and told them that the bill had not yet become law, that I did not feel that their applications would be acceptable at that time, but that I would notify them as soon as the bill became law. I would hate to think that I had "beat" somebody out of a couple of months' veterans allowance through an act of my own. It is no fault of theirs. It would be my own fault.

Mr. Gregg: Perhaps the hon. member would send me the original letter.

Mr. Fulton: I should like to ask the minister if he would outline for us the present duties of the director of public relations.

Mr. Gregg: The duties of the director of public relations are varied. He is, of course, head of the fairly modest public relations service in each of our districts. Our work, in many phases of the department, requires from time to time information to be passed on to the veteran's constituency. Sometimes it is the older group of veterans, sometimes it is the younger group. For instance, the matter we were discussing a few minutes ago, as soon as the bill receives the royal assent, would lend itself very well to public relations information going out.

Mr. Fulton: Showing how generous the minister is being?

[Mr. Thomas.]

Mr. Gregg: When I came to the department there was set up what might be called a house organ, a departmental periodical, which went to our own officers, to those settled on the land, to those in hospitals, to members of parliament, to senators and other people, setting out some of the rehabilitation efforts that were going forward, some of the results on the part of casualty training which is a story that needs to be told again and again not only because it has been a great asset to Canada but because of the effect in morale upon those veterans who have successfully, with the help of our medical people, hospitals and training personnel, brought themselves back as almost full-time productive citizens of Canada. It may be stated that sometimes *Veterans Affairs* had the minister's picture in it too often, but I can assure my hon. friend that an interdict went out with regard to that.

Mr. Fulton: I never would have suggested that.

An hon. Member: A good idea.

Mr. Gregg: But I am sure that he would be the first to agree with me that men and women who were accustomed to working in teams and were accustomed to taking a great pride in the achievements which they were able to produce, now that they have become scattered all across the country, do appreciate having information as to how their comrades are getting along. In reviewing *Veterans Affairs* some months ago, rather than have a monthly we asked ourselves if we could perhaps produce the same results by making it bi-monthly. And so it has been during, I think, the last six months, at a cost of some $4,500. The work of the head of the public relations here, and his assistants across the country, is not only to carry out duties with regard to that publication, and to attempt to interpret the work fairly to the public, but particularly to attempt to interpret the part which the veterans themselves have played in their own rehabilitation, and the improvement of their physical condition in the hospitals. I think a great deal of good has been done on behalf of the whole effort.

Mr. Herridge: I notice what appears to be a new position in the details in connection with departmental administration. There is reference to a financial adviser to the deputy minister. Is that a new office? If so, what are the duties of the official?

Mr. Gregg: No, that is not a new office. I cannot explain why it was left out of the 1949-50 estimates, but I shall be glad to get that information.

Mr. Fulton: I notice there is a veterans welfare officer under the departmental administration vote. Why would it not be listed under veterans welfare service? Is there some division of responsibility between the two branches? This item is found about halfway down page 311.

Mr. Gregg: I am not able to answer that question. However, in connection with the financial adviser I may say that he has been made permanent this year and is consequently named in the list on page 311. In other years he was shown in the temporary bulk list at the foot of the column.

Mr. Fulton: The minister has told us that the departmental paper, *Veterans Affairs*, cost $4,500 or $5,000?

Mr. Gregg: Yes, $4,500.

Mr. Fulton: On page 312 of the estimates there is an item of $20,000 for advertising and publicity. What does that include, in addition to that paper?

Mr. Gregg: That amount of $20,000 is to provide for the publication of the departmental newspaper *Veterans Affairs* to be issued bi-monthly, for $4,500; the issue of the French edition of the veterans charter. Those are just being completed or paid for now, and come to $7,500. Then, monthly advertising in newspapers and veterans publications, $8,000. This covers such items as I referred to a little while ago on matters of special interest to veterans. These give a total of $20,000.

Mr. Quelch: I am somewhat concerned about the discussion which took place regarding hospitalization. Is it still the policy of the department to grant free hospitalization to all veterans of the first war who are indigent? An indigent veteran has been defined as one with an income of less than $1,000 a year. Is that still the policy?

Mr. Gregg: The change made and the additional paying class announced a while ago does not in any sense change the situation under class 5A and class 6 patients.

Mr. Blackmore: As it is within a minute or so of the time for closing, perhaps the committee might rise. I have a matter which might take some time.

Item stands.

Progress reported.

AGRICULTURE AND COLONIZATION

Second report, in both English and French, of the standing committee on agriculture and colonization.—Mr. Bater.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow we will consider the government notice of motion in the name of the Minister of Transport. Then we will take up Bill No. 135, to amend the Department of Transport Stores Act; Bill No. 263, to amend the Electricity Inspection Act, 1928; Bill No. 264, to amend the Gas Inspection Act; Bill No. 221, to provide for the payment and distribution of prize money. I am not sure as to the order of those bills. I know we will begin with Bill No. 135, but I am not sure as to the order of the others. When those bills have been passed we will go into supply and take up the estimates of the Department of Veterans Affairs and the Department of Citizenship and Immigration.

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

HOUSE OF COMMONS

Tuesday, June 6, 1950

The house met at eleven o'clock.

"CANADA DAY"

REFERENCE TO EDITORIAL IN OTTAWA "JOURNAL" OF JUNE 5

Mr. A. Phileas Cote (Matapedia-Matane): Mr. Speaker, on a question of privilege, in the Ottawa *Journal* of yesterday there is an editorial entitled:

"Dominion day" wins; petty nationalism loses.

Some hon. Members: Hear, hear.

Mr. Cote (Matapedia-Matane): Wait a moment with the cheers. The editorial concludes with these words:

Time, we think, that the great majority of the people of this country who despise this state of mind should stop appeasing it. For it is one of the ugliest, most barren and meanest things in our midst.

I am afraid I cannot congratulate the chief editor of the Ottawa *Journal* upon having made an outstanding effort toward national unity. Even if he is also the chief propagandist of the Tory party, even if with his unperturbed superiority complex and matured political acumen—

Mr. Graydon: This is not a question of privilege.

Mr. Cote (Matapedia-Matane): —this chief propagandist—

Mr. Graydon: Surely we do not have to listen to this.

Mr. Speaker: If the hon. member has a question of privilege he should state it.

Mr. Graydon: He has no question of privilege; he is just trying to make another speech.

Mr. Cote (Matapedia-Matane): I know it hurts, but I shall not be long. Surely this editor must not be allowed to impute motives to any hon. member who has registered a vote in this house, as I submit is being done in this article! In order to keep the record straight I propose a correction of the false impression that this article may have created in certain circles, and I have no hesitation in stating that there is surely much less petty nationalism among the Grits or the Liberal-minded citizens of Canada—

Mr. Speaker: Order.

Mr. Cote (Matapedia-Matane): —than there is among the Tories or the reactionary-minded people in this country who practise narrow jingoism.

LIBRARY OF PARLIAMENT

First report of joint committee of both houses on the library of parliament—Mr. Speaker.

DOMINION ELECTIONS ACT

CHANGE IN PERSONNEL OF SPECIAL COMMITTEE

Mr. W. G. Weir (Portage-Neepawa) moved:

That the name of Mr. Carter be substituted for that of Mr. Kent on the special committee on the Dominion Elections Act.

Motion agreed to.

ELECTRICAL AND PHOTOMETRIC UNITS

DEFINITIONS IN ACCORDANCE WITH RECOMMENDATIONS OF INTERNATIONAL COMMITTEE ON WEIGHTS AND MEASUREMENTS

Right Hon. C. D. Howe (Minister of Trade and Commerce) moved the first reading of Bill No. 265 (from the Senate) respecting the units of electrical and photometric measure.

Motion agreed to and bill read the first time.

NATIONAL DEFENCE

STATEMENT OF SECRETARY OF STATE FOR EXTERNAL AFFAIRS ON JUNE 5— CONSIDERATION OF ESTIMATES

On the orders of the day:

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the leader of the house. In view of the statement made yesterday by the Secretary of State for External Affairs (Mr. Pearson), indicating an entirely new concept of Canada's national defence role, may I ask when the estimates of the Department of National Defence will be before us, having in mind the necessity now for a wider examination of the work of the department?

Hon. Alphonse Fournier (Minister of Public Works): Mr. Speaker, we expect that the special committee considering the two defence bills will report them today. If so, we shall be ready to take them up tomorrow. Then we will move to go into supply and take the remainder of Wednesday and Thursday on defence estimates.

Inquiries of the Ministry

OLD AGE PENSIONS

STATUS OF PERSONS COMPENSATED FOR FLOOD DAMAGE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): I should like to ask the Minister of National Health and Welfare if he can give the assurance that old age pensioners in the Red river valley who have had their houses damaged will not have the financial assistance given them by way of compensation treated as other income under the Old Age Pensions Act?

Hon. Paul Martin (Minister of National Health and Welfare): My hon. friend did not give me notice of his question. I would not want to give a snap answer. In any event I am guided of course, as is the hon. member, by the regulations, which are a matter of agreement between the provinces and the dominion, and also by the statute itself. I will look into the matter.

Mr. Knowles: And give an answer tomorrow?

FOREIGN EXCHANGE

CANADA-UNITED STATES—REFERENCE TO REMARKS OF MR. HOWE IN DEBATE ON JUNE 5

On the orders of the day:

Mr. J. M. Macdonnell (Greenwood): I should like to address a question to the Minister of Finance. When the Minister of Trade and Commerce (Mr. Howe) in his speech on the Canadian Wheat Board Act yesterday introduced a discourse on the question of the exchange rate between Canada and the United States, was he speaking for the Minister of Finance, was it a private venture, or is he perhaps planning to invade the Department of Finance?

Hon. Douglas Abbott (Minister of Finance): Mr. Speaker, I think it is fair to say that my colleague, the Minister of Trade and Commerce, was as usual speaking for himself.

Mr. Ross (Souris): Not very authentic.

Mr. Abbott: I did not hear his remarks, but I understand he expressed the view that exchange rates were not necessarily fixed in perpetuity. With that view I am in agreement.

INQUIRY FOR RETURNS

PUBLIC BUILDINGS, PURCHASE AND CONSTRUCTION —STATIONERY USED BY GOVERNMENT DEPARTMENTS

On the orders of the day:

Mr. E. D. Fulton (Kamloops): I should like to ask the Secretary of State if he will be kind enough to do what he can to expedite two orders for returns standing in my name. One was passed on May 15, and concerns public works contracts. The other was passed on May 24, and concerns the types and sizes of stationery used in various government departments. If it is not possible to have the complete returns brought down at an early day, may I ask the minister if he will consider letting me have interim replies as they are received?

Hon. F. G. Bradley (Secretary of State): I shall be glad to look into the matter and do all I can to get the information for the hon. member.

BANKRUPTCY ACT

QUESTION AS TO PROCLAMATION

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, I had a question to address to the Minister of Justice (Mr. Garson); perhaps in his absence the Solicitor General will look into the matter. Several weeks ago, in answer to a question, the Minister of Justice indicated that the Bankruptcy Act could not be brought into effect before July 1, but did not actually say it would be brought into effect on that date. Will the minister indicate as soon as possible on what date the act will be brought into effect?

Hon. Hugues Lapointe (Solicitor General): I will look into the matter and see that an answer is given.

METEOROLOGY

APPROVAL OF CONVENTION OF WORLD METEOROLOGICAL ORGANIZATION SIGNED AT WASHINGTON OCTOBER 11, 1947

The house resumed, from Monday, June 5, consideration of the motion of Mr. Chevrier:

That it is expedient that the houses of parliament do approve the convention of the world meteorological organization signed at Washington on October 11, 1947, and tabled on February 14, 1949, and that this house do approve the same.

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, having now had an opportunity to review the terms of this convention, I am going to suggest to the Minister of Transport (Mr. Chevrier) that he have it considered by the standing committee on external affairs. This committee is now sitting, and there would be very little delay. I believe the committee has never had an opportunity to consider this convention. It would be possible to call before the committee not only officials of the Department of External Affairs, but also the chief meteorological officer of the Department of Transport, and other witnesses if necessary.

I am going to try to explain to the house why I think it is important that we give a little consideration to this convention rather than merely approve it in a perfunctory way, which is all that can be done if it is approved by the house in the present debate.

Apparently this is one of the two or three specialized agencies of the United Nations which have not yet been brought into operation. At page 41 of the report of the Department of External Affairs for 1949 I find the following statement, under the heading "Specialized Agencies":

> Canada is also taking part in the formation of the international trade organization, the intergovernmental maritime consultative organization and the world meteorological organization, which have not yet been established in their final form.

I repeat that this is one of the few specialized agencies which have not been finally established.

The purposes of the meteorological organization are set out in the convention in some detail. I wish to emphasize particularly the first two. They are:

> (a) To facilitate world-wide co-operation in the establishment of networks of stations for the making of meteorological observations or other geophysical observations related to meteorology and to promote the establishment and maintenance of meteorological centres charged with the provision of meteorological services.
>
> (b) To promote the establishment and maintenance of systems for the rapid exchange of weather information.

Then there are other purposes, but those are the two I wish to stress for the purposes of my submission.

Provision is also made in the convention for the setting up of what are called regional associations. These are associations of countries which are closest together. Under this provision for regional associations, not only can the members who belong to a regional association sit in on consultations, but also, under article 18, paragraph (b), the members of another regional organization may sit in. This means that anyone belonging, for instance, to an Asiatic regional organization could sit in with a North American regional organization. There is also the provision for the setting up of technical commissions.

Now, all of this may seem to be of very little importance so far as Canada is concerned; but I do submit, Mr. Speaker, that today we are not living in a world dominated by the United Nations. Instead of that we are living in a world divided into two groups. Everyone had hoped that the United Nations would be able to function as it was intended to do when set up in 1945. I think this world meteorological organization was planned on the basis of the United Nations being able to function as originally intended. Unfortunately such is not the case.

This convention involves the interchange of weather information. For example, if the convention comes into effect, such nations as Russia and her satellite countries, should they become members of this world organization, would be entitled under the convention to have access to all our weather and meteorological services.

In view of the fact that these meteorological services are so tied up with aviation I do suggest that Canada should give careful consideration to the matter before she decides to join this particular organization. After all, should there be trouble between these two great world groups, Canada is in a worse position than any other nation. She would be the Belgium in a third world war. I believe every member of the house will agree that if there should be trouble between Russia and the United States, Canada would be subject to air attack on her Atlantic coast, probably in the prairies and the central part of Canada, and also on the Pacific coast where planes would cross Bering strait, and come down through Alaska.

Before the house adopts this convention we should know the extent to which Russia and her satellite countries are going to co-operate in the organization. For example, are they willing to give us all their weather and meteorological information, just as we would be bound to do under the convention? I notice one of the satellite countries has already deposited instruments of ratification; I am referring of course to Czechoslovakia. Yesterday the Minister of Transport (Mr. Chevrier) listed the following countries as having deposited instruments of ratification: Australia, Burma, Czechoslovakia, the Dominican republic, Norway, Peru, the Philippines, Sweden and a number of others. I have no way of knowing what the other countries are, but I presume there were not very many of them. Incidentally, thirty countries must deposit ratification before the convention comes into effect, so that there would seem to be no particular hurry for Canada to rush into it.

Furthermore, I suggest we should give consideration to the question whether we have anything to gain by joining the convention at this time. We are already working closely with the United Kingdom and the United States in all our meteorological affairs. We are also in a position to work closely with the other members of the British commonwealth, and with the other north Atlantic nations—those nations which have now signed the North Atlantic treaty. I doubt very

much whether Canada has a great deal to gain, under present conditions, by becoming a member of this world meteorological organization. I know there is a temptation for Canada to join all these international organizations. It is like joining a club; we like to become members of these different organizations, and that is an attitude which can easily be understood.

An hon. Member: We are good joiners.

Mr. Green: Yes, that seems to be the picture. I am not saying that Canada should not join this world meteorological organization, but I am saying that before the house approves the convention we should send it to the committee on external affairs. That is a good committee, the members of which take their work seriously, and I am confident that they would go into the question thoroughly and bring back to the house a worth-while recommendation.

That is the course I urge upon the minister today. This convention instead of its being approved after two or three members have spoken, should be referred to the committee on external affairs, so that witnesses could be called to tell the whole story. Then if we do approve the convention we shall at least know what we are doing.

Mr. Gordon Graydon (Peel): Mr. Speaker, I should like to add a word to what has been so well said by the hon. member for Vancouver-Quadra (Mr. Green). It is to be noted that this convention of the world meteorological organization was signed in Washington on October 11, 1947. Almost three years have passed without this country doing anything about its approval or ratification. This resolution was on the order paper in 1948, and I believe, although I am only speaking from memory, that it was on the order paper during the last session. The very fact that Canada took no immediate steps to ratify this convention speaks volumes. There is no particular reason why we should be rushing, toward the close of the session, to ratify a convention of this kind.

In addition a great deal of water has passed under the international bridge since 1947. Conditions with respect to the two-world position have changed, as have the considerations upon which the members of the United Nations founded their judgment in 1947. Moreover, one's suspicions—if one may use that harsh word; perhaps it is not appropriate, but I use it in any event—might be aroused by the lack of enthusiasm on the part of other members of the north Atlantic community. As I understand it, our powerful and friendly neighbour to the south has not taken any steps to ratify this convention. Now that we are entering a new era in our defence program, still within the framework of the United Nations, it would seem to me that this convention ought not to pass with the sort of sporadic discussion that is possible in this kind of debate. We should examine the conditions which existed when the convention was signed, and contrast them with the conditions that now exist. If they were substantially the same, then perhaps our judgment ought to be that we should ratify the convention and conclude the matter at this time. But I believe there is sufficient reason, having in mind the changed world conditions, for a further review of the convention by a competent committee of this house before it is ratified. In a debate such as this, when the matter does not go to the committee of the whole, we have no opportunity to ask questions. Here we have a convention consisting of a considerable number of pages, dealing with one of the most vital parts of the defence program of the north Atlantic community—and at the time it was signed there was no such thing as the north Atlantic community. Yesterday the minister of external affairs showed us the draft blueprint of a new system of balanced collective defence. No doubt within that balanced collective defence there will be found what is covered by this convention—that is, the question of weather data. It may be said, of course, that this is a two-way street, and that we shall receive information from Russia. The past history of relations with the soviet has not been such as to indicate that it is a two-way street, because most of the information we have been able to get from Russia so far has been so infinitesimal as not to be capable of recognition. I believe the minister ought to take that into consideration, and seriously consider the proposal made by the member for Vancouver-Quadra.

So much has happened since this instrument was signed that I do not think we can afford to take a chance by simply warming over old cooking; we ought to know what is in it. The only way to ascertain that is in a committee where we can call experts with respect to the changed conditions since 1947.

I want to urge upon the minister the seriousness of this matter. I am afraid that the signing of this convention now may not be consonant with the policy which was announced yesterday, and which will be followed out by the deputies' committee meeting permanently as the focal point of the north Atlantic alliance.

I urge with all the earnestness I can summon that this resolution be not proceeded with until a competent committee—I suggest the

committee for external affairs—has had an opportunity of dealing with it and providing a basis upon which parliament may finally pass its judgment.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, with respect to the arguments to which we have listened so far in relation to the merits of the resolution before us, I must say I feel that if we were called upon to make a sudden-death decision in the house I would vote for the resolution. The argument that we should refrain from agreeing to this convention of this world organization, if carried to its logical conclusion, would mean that we should withdraw from other world organizations of which we are a member. I wanted to make that clear. If the minister will not agree to the request which has been put forward by the official opposition—in other words, if he insists on a vote now—my disposition would be to support the resolution.

However, I hope that the minister shares my view that a fair case has been put up for referring the matter to the external affairs committee before a decision is made. It often happens that a resolution is moved in the house and does not go through any other stages, with the result that we are cramped in not being able to ask the minister questions in committee of the whole. That is the case with this motion, and therefore it does seem to me that this resolution might well go to the committee. Since the minister has been nodding his head up and down—oh, he is nodding it the other way or which way is it?

Mr. Chevrier: I am just listening.

Mr. Knowles: I had dared to hope he was agreeing to the proposal to send it to the committee. If he would agree, that would certainly be the end of this debate.

Mr. J. M. Macdonnell (Greenwood): I should like to add a word, because I know the minister always likes to hear from me. I hope the minister will accept the suggestion of the member for Vancouver-Quadra (Mr. Green), because it seems to me manifest good sense. I can see a good many arguments in favour of it, and I entirely fail to see any valid argument against referring the convention to the committee on external affairs, as the member for Vancouver-Quadra has suggested.

The only other thing I want to say is that this seems to me such manifest good sense that if it is not acted upon I shall revert to a quotation I used in this house yesterday from the great Churchill, when he referred to the British government as the servant of parliament. If there is any validity in that remark here, I suggest that referring the matter to a committee is the proper way of dealing with it. If there is no validity in what Churchill suggested with respect to this house, then no doubt we shall have a sudden-death vote, as we so often do.

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

Mr. Chevrier: I should not like to lose my right to close the debate, but I do not want to close it at this stage.

Mr. Speaker: If the minister speaks now, he will be closing the debate, unless he has unanimous consent of the house to make a statement and then have discussion.

Mr. Graydon: By consent.

Mr. Martin: He wants to explain something.

Mr. Speaker: By consent.

Mr. Chevrier: If the house would like to know now, I may say that I intend to accept the suggestion that the matter be referred to the committee on external affairs, which I think is an excellent one. But in case there might be some misunderstanding as to the countries that have already indicated their intention of ratifying this agreement, I should like to put on the record the names of those countries, because there are far more than I mentioned yesterday. In fact the United States has consented, and that seemed to be the doubt in the mind of the hon. member for Peel (Mr. Graydon).

Mr. Graydon: I understood they had not ratified it.

Mr. Chevrier: Thirty countries have ratified the convention. I named several yesterday, but there are a large number that I did not mention. Perhaps I could put them on the record now. They are, in addition to those previously mentioned: Byelorussian Soviet Socialist Republic, Egypt, Finland, France, Greece, Iceland, India, Iraq, Israel, Lebanon, Mexico, New Zealand, Roumania, Switzerland, Thailand, Turkey, Ukrainian Soviet Socialist Republic, Union of South Africa, Union of Soviet Socialist Republics, United Kingdom, the United States and Yugoslavia.

The Secretary of State for External Affairs (Mr. Pearson) tabled this agreement over a year ago. I say that in answer to the suggestion that this matter is being brought down in the later days of the session. There was an opportunity of considering this matter before—I had the document before me—at least upwards of a year ago when the document was tabled in the house.

In view of the suggestions which have been made, and which I think are reasonable, it might be well that the committee on external affairs study the contents of the world

meteorological convention. With that purpose in mind I move that this convention be referred to the committee on external affairs.

Mr. Speaker: I understand that this motion is presented and accepted with the unanimous consent of the house.

Some hon. Members: Agreed.

Motion (Mr. Chevrier), for reference of convention to standing committee on external affairs, agreed to.

DEPARTMENT OF TRANSPORT STORES

AMENDMENT OF ACT WITH RESPECT TO OUTSTANDING ADVANCES, OBSOLETE STORES, ETC.

The house resumed, from Friday, May 5, consideration in committee of Bill No. 135, to amend the Department of Transport Stores Act—Mr. Chevrier—Mr. Dion in the chair.

On section 1—*Outstanding advances not to exceed $5 million.*

Hon. Lionel Chevrier (Minister of Transport): When this matter came up for discussion on May 5, I believe there was some confusion—in fact, a great deal of confusion—in the minds of some members; and I would not be frank if I did not admit that there was an equal if not greater amount of confusion in my own mind. I think that can be readily understood when one realizes that this bill has reference to two departments besides the Department of Transport, namely, the Department of Finance, and the division of the Auditor General. In fact it is a matter which concerns the Department of Finance far more than it does the Department of Transport; it is more or less incidentally that it concerns transport, because of the situation in regard to the stores of that department.

During the debate a number of questions were asked, and perhaps, before dealing more particularly with section 1 of the bill, I should try as best I can to dispose of some of the apprehensions and misunderstandings that were voiced during that discussion.

In the first place I should like to say that there is, with reference to the department, what is called a stores capital fund. The stores capital fund is exactly the same thing as the advances to the Minister of Transport mentioned in section 1 of this bill. The stores capital fund means the total sum required (a) to cover the value of the inventory of stores on hand, which has already been indicated as $3·2 million, or, roughly speaking, $3 million; (b) to purchase stores in order to maintain stock levels required by the operating services; and (c) to cover the value of stores issued until payment for them has been received from the appropriations or the votes under the various items.

The working capital means that portion of the stores capital fund which is not tied up in stores stock. In other words, with reference to the bill now before the committee, it means $2 million; because the amount tied up by stores in inventory amount to $3 million. The revolving fund means the same as stores capital fund; and the advances, as I have already stated, means exactly the same as the stores capital fund.

The Department of Transport includes three major operating services: canals, marine and air services. Because there is a considerable degree of uniformity in facilities operated by the canals service, the stores requirements in the canals service are fairly similar and fairly simple. They are a little bit more complicated when one gets into the division of marine and air services. Under marine, for instance, stores are required for various facilities known as aids to navigation, such as lights, lighthouses, lightships, beacons, buoys and fog alarms. Then there is the group, still in marine services, having to do with dominion icebreakers. They have a varied and long list of stores required for those operations. Then the air service embraces the operation of airways, airports, radio stations, meteorological stations, telegraph and telephone services, which require a broad range of stores. There are nearly 2,800 operating stations and establishments in the department, and they are divided as follows: 62 for canals; 1,164 for marine services; 1,544 for air services.

The purpose of this bill is to provide for a consolidation of stores in one account. The principle has already been approved in the two measures that have come before the house previously, and I will not deal with that feature. But with reference to this bill in particular, the purposes are manifold. First, it is to enable the establishment of an effective central purchasing control over the purchasing of stores. Stores purchased are paid for out of the stores capital fund, and the value of such stores, when issued, is charged to the appropriation of the services concerned and credited to the stores capital fund. The purpose of the bill is also to promote economy through bulk purchases; also to facilitate the transfer of stores from one depot to another; to promote the orderly planning of purchases of stores that are required for certain seasons of the year; and finally, to facilitate the acquisition of supplies for outlying districts.

I shall now deal more particularly with section 1, which reads as follows:

The amount of advances to the Minister of Transport shall at no time exceed $5 million.

The proposed $5 million would really be a stores capital fund, against which the present inventory value of approximately $3 million would become a first charge, leaving a balance of about $2 million of working capital which the Minister of Transport may draw upon for the acquisition and replenishment of stores as required from time to time. It is money that is voted to the minister for use; it is money that is in the Department of Finance in the hands of the Minister of Finance, which may be advanced to the Minister of Transport from time to time.

He may not need the $2 million; he may need only a small portion of it, but the information that has been provided to me is indicative of the fact that he will require it for the reasons that I shall give at a later stage.

May I revert for just a moment to the position which existed prior to the passing of this act—for instance, the position which existed in 1937. The stores act of that year provided in effect for a similar capital fund of $1,957,368, composed of inventory of $957,368, and, in addition, an authority to obtain advances from the Minister of Finance of $1 million. In other words, the position was: inventory of $957,368, plus advances to the minister of $1 million.

The information that has been given to me is that because of the advances, as indicated by the dominion bureau of statistics, in commodity wholesale prices, there has been a general increase in price, and on this basis the equivalent volume of stocks would be valued today at slightly more than $2 million. By adding to this figure the value of the inventories of stores taken over in Newfoundland about a year ago, which was roughly $1,200,000, we would have a total inventory of $3,200,000. This figure is somewhat greater than the actual inventory of stores as at March 31, 1950, which was given at $3 million in round figures, and which as we go along I should like to use as the amount of inventory with reference to section 1, now on hand. There remains $2 million, which is a sort of revolving fund. The $2 million remaining out of the $5 million which has been referred to previously as working capital will not actually be paid over to the Minister of Transport, but as already pointed out, will simply be available to be drawn upon as needed.

The figure of $2 million does not seem to be unreasonable considering the fact that in 1937 parliament authorized an advance of $1 million to be used as working capital in conjunction with the stores inventory of about the same amount, $957,368 to be exact. Today in reality we are asking for an advance for working capital of $2 million in relation to inventory of $3 million. These figures combined represent the proposed stores capital of $5 million referred to in the bill as advances to the minister.

It is estimated that approximately $2 million is needed to purchase stores required to maintain stocks at necessary operating levels and to cover the time lag between the dates when stores are issued and date when the stores account receives credit from the votes concerned.

This figure also includes a margin of around $500,000 to take care of temporary upward fluctuations in value of inventory, which may occur as a result of relatively light withdrawals and heavy receipt of stores during certain periods.

This is all I need to say at this time on section 1. There are a number of questions which I feel I should reply to, and I think I can do it fairly quickly.

Mr. Green: Before the minister leaves section 1, can he tell us the annual turnover?

Mr. Chevrier: The annual turnover, as I will indicate in answer to a question which was asked on the last occasion by an hon. member, is $8 million.

Mr. Knowles: What guarantee will we have in the legislation, or anywhere else, that the $5 million asked for in this bill will include both the inventory now on hand and such additional advances as the Minister of Transport may get from the Minister of Finance?

Mr. Chevrier: I propose to move an amendment when I complete my statement which I think will cover the greater part of my hon. friend's suggestion, if not all of it.

The hon. member for Winnipeg North Centre asked whether I would indicate, just as an example, where in the estimates there are items to pay for some of the things that have been bought out of these advances. These are to be found in most of the operating votes in the Department of Transport—certainly the vote for the operation of canals, the vote for the operation of marine agencies, the vote for the operation of airports, and so forth.

The hon. member for Greenwood asked this question: "I should like to know how much we have relative to what is used from time to time". That was not an easy question.

Mr. Macdonnell (Greenwood): I do not know what it means now.

Mr. Chevrier: I did not. I do not think I was able to give an answer; but if it means what we think it does, then the answer is this.

Department of Transport Stores

The inventory as at March 31, 1950, was approximately $3 million, as I have already indicated, while the value of stores issued in the preceding twelve months was $8 million. That is the answer that I gave to the hon. member for Vancouver-Quadra a moment ago.

The hon. member for Greenwood asked another question: "To what extent has Mr. Howe's promise of 1937 to eliminate surplus stocks been carried out; also to what extent are we piling up stocks in any way?" Inventory value as at March 31, 1937, was $957,368. The record shows that the value of the stores inventory as at March 31, 1939, two years later, was $876,877, or approximately $81,000 less than two years previously. The inventory value today—by "today" I mean March 31, 1950—exclusive of Newfoundland, was $2,059,730. And that of course, as already stated, was owing to the increase in prices from that date to this, and also to the addition of new divisions in the department.

Mr. Green: What is the Newfoundland figure today?

Mr. Chevrier: It is roughly $1 million.

Mr. Higgins: It was $1,180,000.

Mr. Chevrier: I say roughly $1 million.

Mr. Green: I understand it has been cut by several hundred thousands.

Mr. Chevrier: I will give that in a moment. I have it all here. I propose to answer most of the questions that were asked at the last sitting.

The hon. member for Greenwood asked: "To what extent have we got stock that is piling up and perhaps should be cleared out?" The answer is that with the exception of stores taken over in Newfoundland a year ago it is estimated that the value of stores inactive and unserviceable and obsolete in nature at the present is about $20,000. That is only about one per cent of the inventory value as at March 31, 1950, excluding Newfoundland stocks.

The hon. member for Greenwood wanted to get some kind of statement—not in exhaustive detail—as to what there is in stores now. I have quite a lengthy statement. I do not know whether the hon. gentleman wants me to put it on the record. Perhaps I can give some of the main divisions which will give an answer to what he wants.

For instance, in canals the divisions are something like this: general hardware and tools, metals, paints, spare parts, lumber, lubricants and fuel. In marine and radio the division is: general hardware and tools, metals, steamer supplies, lighthouse supplies, paints, lubricants and fuel. In radio stations and airports the division is: general hardware and tools, radio equipment, parts and accessories, airport spare parts, accessories and miscellaneous supplies. In meteorological, the division is scientific instruments and miscellaneous supplies.

There is another long classification that I have, composed of twenty-seven different items, which are made up of iron, steel and other metals, castings, pipe and fittings of all kinds, tools, and so forth. Then there is a break-down of one of the depots in the canal service at Lachine.

Mr. Macdonnell (Greenwood): I do not think we will need to proceed any further unless we get into difficulties with the minister.

Mr. Chevrier: I hope my hon. friend will not. I am the most co-operative minister in the house.

There was another question asked by the hon. member for Greenwood which I think is important and which should be clarified. He wanted to know why we buy all these different stores and carry them in stock when they might be purchased without delay in the ordinary course of merchandising. We buy in large quantities, and we like to buy in large quantities because we save substantial sums of money. For instance, by buying 5,000 gallons of anti-freeze for the various depots rather than buying it piecemeal for each requisition we save $2 per gallon. If we buy 10,000 gallons of paint in one lot we save $2 per gallon over the retail price. The same thing can be said of manila rope, white lead, binoculars, and so on.

The hon. member for Vancouver-Quadra wanted to know by how much the department had exceeded the advances of $1 million authorized by the present act. The present act provides in effect for a capital fund of $1,957,368, composed of the April 1, 1937, inventory, $957,368, and $1 million which was authorized as advances to the Minister of Transport. That inventory, exclusive of Newfoundland stores, as of March 31, 1950, stood at $2,059,000.

Mr. Green: What about the increases? There were amendments to the act in 1939 and in 1946, in each case increasing the amounts that could be held in stores.

Mr. Chevrier: The inventory as at March 31, 1950, exclusive of Newfoundland stores, was about $2,059,000. Therefore the advances were exceeded by $102,000 at that date. In the previous year, March 31, 1949, the advances were exceeded by $72,491, exclusive of Newfoundland stores. Then on April 1, 1949, the Newfoundland stores inventory was

fixed at $1,158,000, but that has not yet been charged to the Department of Transport stores account. Provision for the acquisition of those stores was made in the supplementary estimates of 1949-50 under vote 673. However, when I stated in the original debate of May 5 that the advances were overdrawn to the extent of $1 million, that figure was based on the assumption that the Newfoundland stores had been transferred to the Department of Transport, but as stated, this is not so. The proposed amendments to the stores act provide for the inclusion of the Newfoundland stores in the over-all inventory.

So that there may be no misunderstanding about section 1, I intend to propose an amendment, which will cover the inventory. There was some anxiety indicated in the committee about the amount of the advances. It was thought that $5 million was far too much. Having regard to the explanations I have given and the conversations I have had with my officers since that time, it strikes me that if the committee were willing to authorize advances to the extent of $4,500,000, that would meet the position. I have asked the officers how they could get along with that, and they say that that would be running them pretty close but if they had less it would be difficult for them to operate. I hope it will be possible for the committee to approve this, and I intend to move an amendment to section 5.

Mr. Green: There is an amendment before the committee at the present time.

Mr. Chevrier: This would be a subamendment.

Mr. Knowles: You will have to wait until the amendment is disposed of.

Mr. Chevrier: When we get to it I will suggest an amendment providing that the amount of advances to the Minister of Transport shall at no time exceed $4,500,000, including the value of the stores from time to time on hand. There would then be no doubt that it included the $3 million inventory now on hand, and it would give a revolving fund or working capital of $1,500,000. Perhaps in view of these explanations the hon. member for Vancouver-Quadra will consider withdrawing his amendment.

Mr. Green: The explanations given by the minister this morning help to clear up the difficulties we had when this bill was under discussion on a previous occasion. As the committee knows, the Department of Transport Stores Act was enacted in 1937. At that time there were two points that worried the members of the house. The first was that power was being taken to spend money before it was appropriated, and that is our main worry in connection with the proposed amendments now before us. Under this act the Department of Transport can spend a certain amount of money before it is actually appropriated by parliament, which is contrary to the whole basis of our parliamentary system. That particular objection was put very clearly by Mr. Bennett, then leader of the opposition, when he spoke on April 2, 1937, as reported on page 2488 of *Hansard*:

> I say to the minister in the light of experience that there is nothing more inviting to permanent officials than the possibility of having an advance of great proportions.

The second worry in 1937 was that stores would be accumulated to a greater extent than was necessary. At that time the stores on hand were of a value of less than $1 million. The present Minister of Trade and Commerce (Mr. Howe), who was in charge of the bill at that time, said, as reported on page 2488 of *Hansard* of April 2, 1937:

> It will be my aim to see that at the end of the year there are no surplus stocks.

The whole emphasis by the minister at that time was that surplus stocks would be cut right down to the minimum. In order to meet those two difficulties, provision was made in the original act that the advances to the minister would be limited to $1 million, and there was also a provision that the value of stores held after the inventory at the end of each fiscal year after 1936-37 should not exceed the amount of the stores inventory established as of April 1, 1937.

Those were the two restrictive provisions placed in the legislation to meet the objections raised. It is interesting to note what has since happened to each of these obstacles. That of the ceiling of $1 million has remained in the act to this date. In other words, right up to the present time the minister has never had the power to draw on the Department of Finance for more than $1 million. It is true that an amendment was made in 1939, but that was because of the wording of the original section 4. There had been some trouble with the Department of Finance. They read the original section 4 as still calling for an appropriation by parliament in each case. Therefore the act was amended in 1939 to provide for a straight advance up to a ceiling of $1 million. The value of the stores was increased in 1939 to $1,250,000. Then during the war it was increased by order in council in 1943, I believe—the minister can correct me if I am wrong—to $1,500,000. In 1946, after the war, less than four years ago, it was increased again to $1,600,000.

Before I start discussing the terms of the bill now before the committee, I should like to

point out that the position under the present law is that there is a ceiling of $1 million on the amount that can be advanced, and a ceiling of $1,600,000 on the value of stores that can be held in the inventory. Until this year the legislation has been based on those two different restrictions, one by way of ceiling on the advances, and the other by way of ceiling on the value of the stores in the inventory. For some reason or other the Department of Transport is now asking that those two items be lumped together, and that the new section read:

> The amount of advances to the Minister of Transport shall at no time exceed $5 million.

In other words, they are lumping together the stores on hand and the amount that can be drawn before there has been an appropriation by parliament. We objected of course to the provision for an increase in the advances from $1 million to $5 million; at the same time there is a provision in the bill which strikes out the restriction on the value of stores; that section is being deleted.

I think the minister's offer to include in the new section 5 the words, "including the amount of stores on hand from time to time", meets one of the objections, but there remains the question as to the total figure that should be written into the section. Some of us have suggested to the minister that the figure should be $4 million rather than $5 million. We believe the amount that can be spent without appropriation by parliament should be carefully restricted. The minister is now basing his figure of $4,500,000 on an inventory of stocks amounting to slightly over $2 million, an inventory of stocks in Newfoundland of about $1 million, and then he wants working capital of $1,500,000. It is my understanding that the Newfoundland stores are largely at Gander airport, and that while at one time they reached the figure of about $1 million they have since been reduced by $300,000 or $400,000. It does not seem reasonable that half as many stores should have to be kept in Newfoundland as in all the rest of Canada. Yet that is exactly what the minister's figures mean. There are $2 million worth of stores in the rest of Canada and $1 million in Newfoundland. That does not seem to be reasonable. As I said a moment ago, I am told that the Newfoundland stores have been drastically reduced, and that they are still being reduced.

Of course it was stated time and again in 1937 by the present Minister of Trade and Commerce and also by Mr. Dunning, then minister of finance, that an attempt would be made to keep the stores down to a minimum. I believe the Minister of Transport should agree to a new figure of $4 million. I think that gives him ample leeway, and it serves as a check on his officials. They are getting the right to spend money that has not yet been appropriated by parliament, and in addition they are getting the right to have this large amount of stores on hand. I think there should be a check placed on them. I do not believe they will be badly hurt if the figure is placed at $4 million. I hope the minister will agree. After all, there are only one or two other cases in our whole governmental structure in which departments can spend money before it is appropriated. The minister gave the printing bureau as an illustration, but I do not believe they have the right to draw in advance up to the amount of $1 million. He also gave the example of the Indian affairs branch of the Department of Citizenship and Immigration. Apparently they have the right to draw moneys in advance before appropriation.

Here we have a total turnover of only $8 million in the whole year. With the figure set at $4 million I think the minister's officials will have ample power to carry on. It will be an incentive to them not to draw ahead unless they have to do so, and it will also be an incentive to keep down the amount of stores on hand. If he finds in two or three years that they need a larger figure, then I think it is a very good thing for him to have to come back to parliament and explain why, because in effect parliament is being by-passed by legislation of this kind.

I hope the minister will agree to put the figure at $4 million. If he will do so I do not think there will be any more argument.

The Chairman: Is the hon. member withdrawing his amendment?

Mr. Green: My amendment is standing at the moment.

Mr. Knowles: Mr. Chairman, I want to thank the minister for the further, and dare I say better, explanation he gave this morning than was given on the 5th of May. I also want to say that I appreciate his readiness to meet some of the arguments that have been advanced from this side of the house by the amendment which he has indicated he will be prepared to move if the hon. member for Vancouver-Quadra will withdraw his amendment to the first clause of the bill. It is difficult for us to judge whether $4,000,000 or $4,500,000 should be the figure. I think it is significant, however, that in view of the debate which took place, and the representations made from this side of the house, the minister has seen fit to split the difference and be satisfied with $4,500,000. But the more significant part of the proposed amendment, if I understand it, is that which makes it clear that the $4,500,000

would have to include both inventory on hand and cash advances made available. If it is clear that when the minister has on hand $3 million in inventory he can get only another million and a half by way of cash advance—

Mr. Chevrier: That is clearly understood in the amendment I intend to propose.

Mr. Knowles: Very well; if that is clear, even with the qualification the hon. member for Vancouver-Quadra now makes, I feel more satisfied. The hon. member for Vancouver-Quadra points out that if inventory were reduced from $3 million to $2 million, then the minister could get $2,500,000 cash. But, in connection with the whole matter, can any stores in the inventory we are talking about actually be used without a charge being made against a vote provided in the estimates?

Mr. Chevrier: No.

Mr. Knowles: It seems to me that is what we were trying to get a month ago.

Mr. Chevrier: That is right.

Mr. Knowles: It is clear, then, that if there are estimates in the votes for $8 million worth of stores for the year 1950-51 it is not possible for more than $8 million worth of stores to be used?

Mr. Chevrier: That is right.

Mr. Knowles: During 1950-51?

Mr. Chevrier: That is right.

Mr. Knowles: In other words the inventory is really something that still belongs to the Department of Finance.

Mr. Chevrier: That is right; I thought I indicated that earlier in my statement.

Mr. Knowles: I think the minister indicated it today, but he did not indicate it that way on May 5. I am trying to get it sorted out, and in doing so I hope I am not being unhelpful.

Mr. Chevrier: Not at all.

Mr. Knowles: If that is clear, then it seems to me there is more justification for doing things this way than there seemed to be on May 5. But I want to be absolutely clear that not a gallon of paint or anything else can be taken from inventory provided under this measure, and used, without its being charged against a vote by parliament in that current year.

Mr. Chevrier: No question about it at all. However, if a purchase is made, it must be made under the appropriations set out in the various items for the department. Whether it be called a direct purchase, outside of stores, or whether it be called an issue from stores, it has to come from the various votes for canals, air services and the like. But, because of the time lag which is unavoidable in respect of some of these purchases, advances are made to the minister with which to buy them out of this $1,500,000 revolving fund, and they are repaid to the Minister of Finance under the appropriation.

Mr. Knowles: The minister has referred to the revolving fund being $1,500,000 because at the present time the inventory is $3 million?

Mr. Chevrier: Yes.

Mr. Knowles: That might change without any change in the act being necessary.

Mr. Chevrier: Yes.

Mr. Knowles: The minister has referred to purchases of stores either from stores inventory or direct from merchandising people. Can he indicate any break-down so far as the practice of his department is concerned? During the last year for which information is available how much by way of stores has been brought down from stores inventory, and how much has been bought direct from wholesalers or retailers?

Mr. Chevrier: There were purchases direct, outside of stores inventory, to the value of $4,600,000 in the last year. There were issued from stores $8 million during the last year.

Mr. Fulton: That is $12,600,000 altogether?

Mr. Chevrier: Yes.

Mr. Knowles: Just a moment; what was the total amount provided in the estimates for last year? Is that the year the minister is talking about?

Mr. Chevrier: Yes.

Mr. Knowles: What was the total amount provided in the estimates of last year for the purchase of stores, roughly?

Mr. Chevrier: Approximately $12 million.

Mr. Knowles: That amount was provided by votes passed by parliament.

Mr. Chevrier: Yes.

Mr. Knowles: And the total amount of stores actually used last year was what?

Mr. Chevrier: It was $8 million, the amount I gave a moment ago as being commodities issued out of stores. That is the amount as compared with the $4,600,000 for direct purchases.

Mr. Knowles: But the commodities issued out of stores were also used, were they not?

Mr. Chevrier: Yes.

Mr. Knowles: Then you used $12 million worth of stores last year?

Mr. Chevrier: No. There one must differentiate between direct purchases and stores actually on hand. We used $8 million worth of stores and purchased other materials outside of stores. For instance, we do not stock coal, and things of that kind.

Mr. Macdonnell (Greenwood): Those things which came direct.

Mr. Chevrier: Yes, that is a better word. Those were purchased outside, and did not form part of stores.

Mr. Fulton: They never went through the Department of Finance at all?

Mr. Chevrier: That is right.

Mr. Knowles: When the minister gave me the figure of $12 million provided in the estimates of last year for stores, that figure included both stores and purchases in the sense of purchasing coal.

Mr. Chevrier: Yes.

Mr. Knowles: Has it been found possible by means of this act to exceed in any year, such as last year, the total amount of money provided in the estimates so far as stores and purchases are concerned?

Mr. Chevrier: No.

Mr. Knowles: You have not found it possible to do that?

Mr. Chevrier: No.

Mr. Knowles: And you do not think you will find it possible to do that in the future?

Mr. Chevrier: I am sure we will not.

Mr. Higgins: I am trying to understand the Newfoundland item. I understand the figure is now $1,200,000; is that correct?

Mr. Chevrier: The figure originally indicated was $1,200,000.

Mr. Higgins: But the first figure was $1,180,000, was it not?

Mr. Chevrier: For the purposes of this discussion, that is roughly $1,200,000.

Mr. Higgins: And this $1,158,000 has not yet been charged. That is actually what it came to.

Mr. Chevrier: That is right.

Mr. Higgins: That is what you actually paid out.

Mr. Chevrier: The Department of Finance did. We did not pay it out, because it has not been transferred to us.

[Mr. Knowles.]

Mr. Higgins: That is what has been paid out.

Mr. Chevrier: Yes.

Mr. Higgins: The minister also said, as indicated in *Hansard* at page 2217, of May 5, that there was a sum of $300,000 to cover the value of outstanding accounts receivable for issues from Newfoundland stores pending recovery from votes. What was that for?

Mr. Chevrier: That was the sum required to cover outstanding accounts receivable for issues from Newfoundland stores, pending recovery from votes. It was an item which indicated a break-down of the $2 million which was required over and above the inventory of $3 million. I was trying to explain how the $5 million was made up at the time.

Mr. Higgins: Does the minister mean that the $300,000 included the two items he has just given me?

Mr. Chevrier: I gave the amounts. I am not too clear on them myself.

Mr. Higgins: You mean the $2 million, over and above the $3 million, included the $300,000 you are now talking about? What stores are you planning to carry in Newfoundland yearly?

Mr. Chevrier: Roughly a million dollars.

Mr. Higgins: What would they be actually? How much at Gander?

Mr. Chevrier: I shall give the three items that are most important, and they are almost stationary. In themselves they make up practically the full amount. For plant, shop machinery and transmission equipment, parts and accessories, $293,738; and that must remain.

Mr. Higgins: That is not a yearly amount; that is fixed.

Mr. Chevrier: We are talking about stores.

Mr. Macdonnell (Greenwood): Is plant considered stores?

Mr. Chevrier: Yes, plant in the sense of machinery for aircraft repairs. Then there is fuel, gas, petroleum products and oil, which must remain almost fixed, $406,946, for Newfoundland.

Mr. Higgins: What would that be for? What would you be supplying?

Mr. Chevrier: Aircraft.

Mr. Higgins: Just Trans-Canada?

Mr. Chevrier: Not necessarily. There are purchases made from our stores at Gander by various air lines. They buy their gasoline.

Mr. Higgins: They do not buy it from the Department of Transport?

Mr. Chevrier: Some of them do.

Mr. Higgins: Not to any great extent?

Mr. Chevrier: There are other aeroplanes in the area.

Mr. Higgins: There are not very many private aeroplanes.

Mr. Chevrier: Yes, there are, but I am not going to discuss that. I am saying that is so, and that is the information I have. I do not think it is inaccurate. Then, for chemicals—no, this covers the restaurant at Gander and the provisions that must be kept on hand, $109,308. There are other items that are all small, ranging from $1,000 to $50 and $60. The items I have mentioned total about $800,000.

Mr. Higgins: Did the minister say "chemicals"?

Mr. Chevrier: That was an error. Chemicals amount to $8,944. I was looking at the wrong figure beside the description of the amount. It is provisions that amounts to $109,308.

Mr. Higgins: Is it not planned to rent out the restaurant concession at Gander? Then you will not have to carry that $109,000. I understood there is a tentative proposal to rent the restaurant concession; at least that is what I heard at Gander.

Mr. Chevrier: No.

Mr. Higgins: How much of that $293,000 would be plant?

Mr. Chevrier: I have not a further breakdown of the amount.

Mr. Higgins: The gas and oil seems very high, but you have the information, I suppose.

Mr. Stick: Probably the plant takes in the railway machine shop and the drydock, does it?

Mr. Higgins: It is for Gander only.

Mr. Stick: What about fuel oil; does that apply to the railway?

Mr. Chevrier: No, it is for air services only.

Mr. Macdonnell (Greenwood): I should like to ask a question of the minister, but first of all I think we should thank the minister for the way he associated us with himself at the opening of his remarks this morning as being in a state of mental confusion. I think we should be grateful for being associated with the minister, even if it is only in a state of mental confusion.

Department of Transport Stores

I want to say a word in support of the suggestion made by the member for Vancouver-Quadra, but before I do that, I understand that the department manufactures for itself certain materials that it uses—buoys and things of that kind; or have I been misinformed?

Mr. Chevrier: Yes, there are certain marine agencies which make their own equipment.

Mr. Macdonnell (Greenwood): How are the prices for them fixed? Are they just turned in at cost?

Mr. Chevrier: Yes, they are itemized at cost.

Mr. Macdonnell (Greenwood): I want to say a word in support of the suggestion made by the member for Vancouver-Quadra. I do think it is clear that we are not talking about an expenditure; we are talking about what has been accurately referred to as working capital. We are talking about sensible business arrangements to facilitate the department. The only difference between us at the moment is the question of the amount. I believe the minister's amendment to clause 1 will make it clearer.

As to the amount, I want to go back for a moment to the debate in 1937, because it is perfectly clear from the words used at that time by the then minister of transport (Mr. Howe)—one must get wisdom wherever it can be found, even in unexpected quarters—that what was mainly in the minister's mind, in the mind of the then leader of the opposition, and in the mind of the then minister of finance, was that they were going to get these stores down. Speaking of the inventory, the then minister of transport said he thought it was far too large. He said, at page 2488 of *Hansard* for April 2, 1937:

> It will be my aim to see that at the end of the year there are no surplus stocks.

He said he did not know whether that would be possible, but that was the aim.

Now, Mr. Chairman, I suggest very strongly to the minister that there is a danger if we make this over-all amount too large, that that aim would be largely missed. I am not going to go into a lot of figures, but I am going to put these figures to him. They sum up the situation as I see it, and, if he agrees with me, perhaps he would be induced to accept the suggestion made by the member for Vancouver-Quadra to reduce the over-all amount to $4 million.

Let me put it to him this way. During the last year, in effect, the amount of stores plus the present revolving fund was roughly $2,600,000, excluding Newfoundland. The significant thing to me, and it has been made

very clear, is that that amount of working capital enabled the department to get by with reasonable comfort. Actually they did exceed their authority by some $72,000, but subject to that they got along all right. Newfoundland came in, and that certainly warranted some addition to the amount. I suggest, having regard to the fact the department got along last year with only $72,000 extra, that the figure suggested by the member for Vancouver-Quadra is $1,400,000 in excess of the $2,600,000, apart from the additions in Newfoundland, and should be adequate.

Incidentally I quite agree with what has been said, that one should look very carefully at the gross figure for Newfoundland if it is going to be anything like half of the total for the whole of Canada. I put it to the minister that it is in keeping with the spirit of those who brought this measure into the house, on both sides; that this sum of $4 million is in accordance with what was intended, which was to put pressure on the officials to keep the amounts down. If, in fact, $4 million does not give them the elbow room which I think it will, then a year from now, on proper representations, it could be changed.

Mr. Chevrier: I am very much impressed by the points made by the member for Greenwood and the member for Vancouver-Quadra. After the explanations that have been given today, I do not think there is any other impression left in this committee but that we want to operate with what we require, and no more. I had been under the impression that with $1,500,000, we would be somewhat tight. It may be possible to carry on on that basis. We can try. I am willing to accept the suggestion, and I am willing to ask my officers to try, in order to meet the wishes of the committee. I stated that there was some confusion in the minds of the members of the house, and there was a lot of confusion in my mind, as to how this revolving fund operated. For the reasons which I gave earlier, I am willing to ask the officers to try to get along with $4 million, inclusive of the $3 million stores.

I have discussed it with the comptroller of the treasury, who is here before me, and he is willing to make an attempt at it, although he thinks it is going to be difficult. In fairness to the committee I should say that if I find it impossible to accomplish this, I shall have to come back next year and ask for another million, or $500,000, as the case may be. If the committee will accept, then I will move accordingly, if my hon. friend (Mr. Green) will withdraw his motion.

Mr. Green: I think the minister has been reasonable indeed in his suggestion about this amendment, and I would ask for leave to withdraw the amendment I moved on the previous occasion.

[Mr. Macdonnell (Greenwood).]

The Chairman: Has the hon. member for Vancouver-Quadra leave to withdraw his amendment?

Some hon. Members: Agreed.

Amendment (Mr. Green) withdrawn.

Mr. Chevrier: Then I would ask one of my colleagues to move:

That section 1 of the bill, clause 5, be amended to read as follows:

The amount of advances to the Minister of Transport shall at no time exceed $4 million, including the value of stores from time to time on hand.

I would ask my colleague, the Minister of Trade and Commerce, to move accordingly.

Mr. Howe: I so move, Mr. Chairman.

Amendment agreed to.

Section as amended agreed to.

Section 2 agreed to.

On section 3—*Accounting transactions to be at cost.—Deletion from inventory of obsolete stores.*

Mr. Knowles: May I ask the minister to explain the new section 8 that is provided for by this clause?

Mr. Chevrier: Does clause 3 carry?

Mr. Knowles: Clause 3 of the bill contains both sections 7 and 8.

Mr. Chevrier: I am sorry. Section 8 reads:

The Minister of Transport, with the approval of the treasury board, may direct the deletion from stores inventory of obsolete or unserviceable stores . . .

The present position is that obsolete or unserviceable stores cannot be disposed of to the satisfaction either of the Department of Transport or of the Department of Finance. It will be done now by including an appropriation in the estimates.

Mr. Knowles: Under this section, when the minister directs the deletion of unserviceable stores, does that mean selling them or destroying them?

Mr. Chevrier: It might be done in two ways —by declaring them surplus, and by having them sold by crown assets or destroying them.

Mr. Knowles: When the value of stores so deleted is to be credited to the stores account, does that mean the stores account provided for in this bill, the $4 million?

Mr. Chevrier: Yes.

Mr. Knowles: All right. The section goes on to say:

. . . and charged to appropriations that may be made by parliament for this purpose from time to time.

Does that mean the appropriations that are now in the vote for stores and purchases, or does it mean special appropriations to be put in?

Mr. Chevrier: No, it does not. It means a separate appropriation which will be indicated in the estimates of the Department of Transport as an item "sold to crown assets" or as an item "destroyed".

Mr. Knowles: In other words, if there is a loss through the deletion of obsolete or unserviceable stores, in the last analysis it will be paid for by a special vote?

Mr. Chevrier: That is right.

Mr. Knowles: Can the minister answer one other question? I note that reference is made to "stores lost or destroyed". Has the value of stores lost been of any magnitude?

Mr. Chevrier: I am not able to indicate what amount of stores has been destroyed or disposed of. For instance, in the fire which took place at the marine agency in Quebec some weeks ago, a substantial quantity of stores was destroyed. But to what extent or what the amount is, I am not able to say.

Mr. Knowles: My question relates particularly to the use of the word "lost". When reference is made to stores lost, does it mean lost by fire, or just by inexplicable disappearance?

Mr. Chevrier: It can be lost in more than one manner. It can be lost by fire. It can be lost by breakage. There are articles that break from time to time, such as bulbs. In the marine end concerning marine services and lighthouse services, there are a number of things that are breakable. Then from time to time there is the commission of theft, and articles disappear in that manner.

Section agreed to.

Title agreed to.

Bill reported, read the third time and passed.

CANADA PRIZE ACT

PROVISION FOR PAYMENT AND DISTRIBUTION OF PRIZE MONEY

Hon. Brooke Claxton (Minister of National Defence) moved that the house go into committee to consider Bill No. 221, to provide for the payment and distribution of prize money.

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

Sections 1 to 4 inclusive agreed to.

Title agreed to.

The Chairman: Shall the bill carry?

Mr. Fulton: On division.

The Chairman: Shall I report the bill?

Mr. Fulton: On division.

Bill reported.

Mr. Claxton moved the third reading of the bill.

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

Mr. Fulton: On division.

Motion agreed to on division and bill read the third time and passed.

ELECTRICITY INSPECTION ACT

AMENDMENTS WITH RESPECT TO SEALING OF METERS, FEES, ETC.

Right Hon. C. D. Howe (Minister of Trade and Commerce) moved the second reading of Bill No. 263, to amend the Electricity Inspection Act, 1928.

Mr. Fulton: Will the minister explain the import and purpose of this bill?

Mr. Howe: The purpose of the bill to amend the Electricity Inspection Act is threefold. First, it incorporates in the act certain changes which have been effected by the Public Service Rearrangement and Transfer of Duties Act. Second, it seeks power for the governor in council to alter the statutory period for verification of meters.

Section 10 of the Electricity Inspection Act and section 9 of the Gas Inspection Act require meters to be presented by the owners for reverification within six years from the last verification. The verification of a meter entails its being taken out of service to a place having special technical apparatus and equipment, and meanwhile a replacing meter must be installed in the consumer's premises. There are hundreds of thousands of meters to thus verify. During the war, the restrictions and scarcities were such that this peacetime process of verification was impossible. Consequently the wartime meter inspection order, being order in council P.C. 1450 of February 23, 1943, was made under the War Measures Act, which stated that those provisions of the two acts were not to apply to certain electricity and gas meters. It was revoked on April 1, 1947.

The result was that the statutory period for verification was interrupted for over four years, so that when the order in council was revoked there was a huge backlog of unverified meters. Not only did this present a very serious physical problem to the public utilities by reason of material and labour shortages, and to the inspection service, but it also presented a legal problem as to what was

the effect of the wartime order on the statutory time limits: for example, was the running of the statutory time merely suspended while the order was in force, or was the effect that the statutory period was to recommence on revocation of the order?

It appears that some difficulties still exist and that many meters due under the time schedule for verification in 1949 were not verified, and some due for verification in 1950 may not be verified in 1950. This bill will provide clear authority for extensions by the governor in council in necessary cases and for enforcement of the act where further extensions appear to be unwarranted.

In addition to the need for extending the six-year inspection period by reason of the wartime meter inspection order, the Ontario Hydro Electric Power Commission is undertaking the conversion of all 25-cycle power to 60-cycle power in southern Ontario. This program, it is expected, will cover the next ten to fifteen years. The problem facing the department is the six-year seal period of meters in so far as it affects meters of any contractor who may be scheduled for conversion immediately after the six-year period is reached. For example, meters sealed in 1944 are due to be resealed in 1950, and it is possible some of these will be included in the conversion schedule for 1951. In this event, under the existing legislation, the contractor would be required to present these meters in 1950 and again in 1951 after conversion, or present new meters if such are installed. There are some 400,000 meters affected by conversion. While it is extremely unlikely that this number would be in the position mentioned, with a minimum inspection fee of 60 cents per meter plus cost of removal, repair, etc., large utilities could be faced with sizeable expenditures which, on the ground of good sense, should not be incurred.

In a good many cases the contractors involved have extended every co-operation to the department with respect to their overdue meters, and to require verification in the succeeding year would, it is felt, be an undue hardship.

It might also be pointed out that power is vested in the governor in council under the Weights and Measures Act, which is another inspection service administered by the department, to fix the periods in which inspections may be made.

Third, this bill provides for the elimination of adhesive stamps, which are fixed to certificates of inspection at the present time as evidence of payment of fees for the inspection. The Electricity Inspection Act was originally administered by the old department of inland revenue, and it was apparently the practice in that department that any document evidencing payment of funds to the crown should be receipted by stamps. There was the further feature that this practice did provide some measure of control of funds received by inspectors from companies where inspection work was undertaken.

Present-day practices have eliminated the necessity of this type of control. When meters are inspected in any utility, lists of these are entered on a document known as a "field note", which gives details of the work done and the fees due. When the work is completed, a copy of the field note is left with the contractor; the original copy together with a receipt for contractor's copy and the amount of fees due is returned to the district office of electricity and gas in the area. A bill is then rendered against the utility for the fees indicated in the field notes. When payment is made to the district office, a certificate is sent to the utility with the necessary value of cancelled adhesive stamps thereon. Even in the case of the smallest contractors, where the fees may be paid upon completion of the inspection, the stamped certificate is not issued except by the district office upon receipt of the field notes and the fees collected.

Stamps are in themselves not negotiable for postal or excise purposes, and the printing for the stamps required by the three inspection services—gas, electricity and weights and measures—costs between $1,200 and $1,500 a year. It is felt that by including an appropriately worded receipt in the certificate, the stamps can be eliminated.

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

Sections 1 and 2 agreed to.

On section 3—*Re-verification of meters.*

Mr. Fulton: May I ask the minister a question arising out of the statement he made? Is there any program in effect for getting back to the six-year period of inspection, apart from the difficulty created by the Ontario Hydro Electric Power Commission conversion? Or is it the intention merely to let the normal six years expire and then insist on the six-year verification from then on? Is any effort being made to catch up on the disruption caused by the war and to insist on the six-year period from there on?

Mr. Howe: A very serious effort has been made to catch up. I am told that there will be very few meters not inspected within the six-year period at the end of 1950. There may be a few. But the difficulty is that the

meters that have not been inspected are in a doubtful legal position, and in case any argument should arise, there should be the formal exemption.

Mr. Fulton: Will the same thing apply to Ontario? Will the new period or the start of a new period be fixed at the completion of conversion so that it will be every six years from there on?

Mr. Howe: Yes; if the conversion is to be completed within a year from the end of the inspection period, the purpose would be to extend the existing inspection period for a year so that the new meters would be inspected and the old meters removed, as they would require to be in that case.

Section agreed to.

Sections 4 to 6 inclusive agreed to.

On section 7—*Offence.*

Mr. Higgins: I presume it is the intention to bring this bill into effect in Newfoundland as well?

Mr. Howe: Yes.

Section agreed to.

Title agreed to.

Bill reported.

Mr. Speaker: When shall the bill be read the third time—now?

Mr. Knowles: By leave.

Mr. Howe moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

At one o'clock the house took recess.

The house resumed at three o'clock.

GAS INSPECTION ACT

AMENDMENTS WITH RESPECT TO SEALING OF METERS AND INSPECTION FEES

Right Hon C. D. Howe (Minister of Trade and Commerce) moved the second reading of Bill No. 264, to amend the Gas Inspection Act.

Motion agreed to, bill read the second time, considered in committee, reported, read the third time and passed.

ELECTRICAL AND PHOTOMETRIC UNITS

DEFINITIONS IN ACCORDANCE WITH RECOMMENDATIONS OF INTERNATIONAL COMMITTEE ON WEIGHTS AND MEASUREMENTS

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, by leave of the house I should like to move the second reading of Bill No. 265, respecting the units of electrical and photometric measure.

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

On section 1—*Short title.*

Mr. Howe: This bill is a tidying up bill. Its purpose is to bring the Canadian law into line with the laws of Great Britain, France and the United States, defining the units of electrical and photometric measure and thus giving effect to the recommendations made by the international committee on weights and measures, on which Canada was represented.

Appropriate legislation has already been passed in the other countries mentioned. Electrical units are at present defined under the Electrical Units Act, R.S.C. 1927, chapter 56. Photometric units have not been defined previously under Canadian statutes. This bill is entirely technical in character, bringing our legislation into line with that of other countries.

Mr. Drew: It is not intended to proceed with third reading today?

Mr. Howe: Not necessarily.

Mr. Drew: While the bill may be entirely technical, that may be a reason why an opportunity should be given to ascertain whether it is as simple as it seems. I am not raising any question as to the explanation that has been given, but it is possible that a bill such as this may present problems that are not apparent. I think it should stand before it goes forward for third reading, in order that it may be ascertained whether the details are in fact acceptable.

Mr. Howe: I shall be glad to hold over third reading of the bill.

Section agreed to.

Sections 2 to 5 inclusive agreed to.

Bill reported.

SUPPLY

The house in committee of supply, Mr. Beaudoin in the chair.

DEPARTMENT OF VETERANS AFFAIRS

528. Departmental administration, $2,175,279.

Hon. Milton F. Gregg (Minister of Veterans Affairs): Perhaps I might reply now to the questions put last night by the hon. member for Regina City and referred to by other hon. members with regard to the class 12-D patients, as we call it, that is those paying patients coming into our D.V.A. hospitals. I was asked if I could give any indication of

the results of our experience so far, and I replied that the period had been quite short. I should like to say again what I stated the day the announcement was made.

We are taking the first year to work this out as best we can. We are under no illusions, because we realize that it is a difficult problem; consequently I do not want to pin the department down too closely at this time as to charges and other factors. We realize that an attempt must be made to solve the problem sooner or later, and we would prefer to do it quietly, while there are comparatively few beds available, rather than let it move to a point after four, five or six years when there might be quite a number.

Hon. members will understand that when the hospital construction program was entered upon, arrangements had to be made for the peak load, coming normally in midwinter, as well as the valley load in midsummer, which we are approaching now. That means if the peak load has been provided for there are quite long periods during a year, even in normal times, when there are a number of beds vacant. It is now our intention to take advantage of the interim gaps to experiment as to how our federal D.V.A. hospitals may best be used in order to play their part in the hospitalization program of the country. Coming down to cases, this will give an indication of what is moving forward in the very short period that we have been trying it out. There has been a steady increase in the number of patients in this category, which we call 12-D to distinguish it from others. The number in class 12-D in D.V.A. hospitals rose from fifteen on April 11 of this year to sixty-five on May 30. Approximately 175 patients have been treated and discharged under this classification during April and May. As an example, one district has treated and discharged thirty-four patients, the total cost being $3,109, all of which except $86.20, has been paid or guaranteed to the department. Other districts have either had a similar or better experience. I have certain data with regard to the districts of Toronto and Montreal.

Mr. Blair: What is the rate per day charged in these hospitals for non-pensionable veterans?

Mr. Gregg: For veterans coming within this class?

Mr. Blair: Yes.

Mr. Gregg: If I may I will answer that later, because I do not want to give my hon. friend the wrong answer.

Mr. Gillis: I should like the minister to explain something about the point raised by the hon. member for Lanark. A non-pensioned veteran may have a service disability entitling him to treatment, but he is not pensioned for it. I have had several of these cases recently where the veteran has paid his own transportation to the hospital and has entered on the assumption that he was at least going to get free treatment. After being there for a month he received a bill from the department at the rate of $9 a day. In most cases the veteran could have received the same treatment at a local hospital in his own community and at a much lower rate. He entered the D.V.A. hospital on the assumption that he was to get free treatment.

I should like to know when the rate of $9 a day was fixed, and under what regulation. In the case of a veteran such as the one I have mentioned, one who enters the hospital, has no money and is not able to take work, is there any provision under which the hospital bill may be waived after investigation? I should like to know how and when the rate of $9 was arrived at.

Mr. Gregg: The situation referred to by my hon. friend may have existed before in the case of a veteran pensionable for one disability who had to go to hospital for another, which, according to the doctors, is a post-war disability and one in respect to which he is not eligible for pension or treatment. Now, however, such a man would come under the new arrangement for his non-pensionable disability. In other words, if he held Blue Cross insurance, or if he was paying it out of his own pocket, it would come under the new 12-D rate, which is not as high as the $9 per day in vogue before.

Mr. Blackmore: Mr. Chairman, last night just before eleven o'clock I pointed out that there was a serious matter I wished to bring to the attention of the committee under this item. I should like to do now what I said I was going to do.

The matter which I desire to bring to the attention of the committee is one pertaining to what was known as the McCann commission. Members who entered the house as a result of the last election will not be familiar with that remarkable commission. In case they desire to look into the matter they will find it interesting to turn to pages 6232 to 6238 of *Hansard* for June 30, 1948. There they will find the speech I delivered in which I pointed out there were some things concerning the McCann commission that apparently were completely out of order, things which ought to be looked after before we could consider the matter as finished business.

There was an eminent pensions advocate in western Canada by the name of Walter H.

Kirchner. I felt that there was never a more sincere, earnest, industrious and persistent advocate of the rights of pensioners in the Dominion of Canada. This man was injured in world war I, and devoted himself to the welfare of his fellow veterans practically from the time of his return to Canada. He was known as the secretary of the Canadian Combat Veterans Association. Mr. Kirchner had been entrusted by a good many veterans with the care of their petitions for redress of certain grievances. He had been to Ottawa a great many times and had prepared extensive briefs in relation to the cases of the various men who had presented themselves to him.

On July 16, 1947, the hon. member for Acadia and the then member for Swift Current brought to the attention of the house two bad cases on which Mr. Kirchner had been working, and as to which there appeared to be grave irregularities as a result of which veterans had been deprived of their just rights. Hon. members will find these cases briefly summarized at pages 5759-5765 and 5768-5769 of *Hansard* for 1947. Apparently two things were supposed to have gone wrong in the cases of these men. First of all their plea was that their service records had been tampered with, that falsifications had been written into them through which they were deprived of their just dues in respect of pensions. The second complaint was that men called psychiatrists had diagnosed their cases and declared them to be not neurasthenia or some other nervous injury which would naturally result from war service, but mental trouble which would be a pre-enlistment disability. If a man's case was diagnosed as pre-enlistment that automatically deprived him of a pension. These men felt they had been so deprived by these two irregularities committed by officers of the Department of Veterans Affairs. As a result of what has been said at previous times, together with what was said on July 16, the then minister of veterans affairs, Hon. Ian Mackenzie, made what was taken to be an undertaking. This is what he said, as reported at page 5769 of *Hansard* for 1947:

> As far as we are concerned, I would welcome a committee of three doctors from this house to go into the suggestions that have been submitted, and I would suggest the Minister of National Revenue (Mr. McCann), the hon. member for Lanark (Mr. Blair) and the hon. member for Inverness-Richmond (Mr. McGarry). They could meet some time between now and the next session and call in whom they want and submit a first-class report.

That suggestion appealed to all members who were particularly interested in these cases and who had been convinced that Mr. Kirchner was sincere and well informed, which I believe he was. As a result of that statement by the minister there was set up what was known as the McCann commission. To show that the McCann commission was a public inquiry operating generally under the Inquiries Act, I desire to read into the record the following, which consists of excerpts from appendix A to the report:

> Report of a commission appointed under the provisions of part I of the Inquiries Act by order in council P.C. 4980 dated December 4, 1947, as amended by order in council P.C. 75, dated January 8, 1948.
>
> 1. The following members of parliament were appointed by order in council P.C. 4980 dated December 4, 1947, and order in council P.C. 75, dated January 8, 1948, as commissioners under part I of the Inquiries Act for the purposes hereinafter set forth:
>
> The Hon. James J. McCann, M.P., chairman, Ottawa, Ont.; Dr. M. E. McGarry, M.P., Margaree Forks, N.S.; Dr. W. G. Blair, M.P., Perth, Ont.; J. O. Probe, Esq., M.P., Regina, Sask.
>
> R. H. Winters, Esq., M.P., Lunenburg, N.S., in the absence of the Hon. James J. McCann, M.P.
>
> F. L. Barrow, Esq., Ottawa, Ont., departmental secretary, Department of Veterans Affairs, was secretary of the commission.
>
> 2. The purpose of the commission was to investigate complaints made by Walter H. Kirchner, Esq., M.C., D.C.M., secretary, Canadian Combat Veterans Association, Inc., Vancouver, B.C., regarding pension and treatment services and, in particular, to inquire into and report to the Minister of Veterans Affairs on
>
> (i) the adequacy of the treatment provided by the Department of Veterans Affairs with respect to the cases concerning which Mr. Kirchner has made representations;
>
> (ii) the qualifications and competence of departmental doctors treating these cases; and
>
> (iii) the adequacy of pension consideration given to the cases concerning which Mr. Kirchner has made representations.
>
> 5. The commission was charged with considering the cases of sixty-two veterans with respect to whom Mr. Kirchner had made representations. Subsequently, in giving his evidence at Vancouver, Mr. Kirchner presented one additional case in which it was understood that he had become interested only very recently.

I read this to show hon. members that the commission was set up as a first-rate commission. It was no second-rate affair, no two-for-a-nickel commission which could do its job in a more or less haphazard way. On the contrary, it was one of the most important commissions that could be set up in the Dominion of Canada.

I should like to draw the attention of hon. members to this important fact, that whereas, as I have already pointed out, the hon. member for Acadia (Mr. Quelch) and Mr. Bentley had represented Mr. Kirchner as the complainant about (1) the falsification of records and (2) the felony of psychiatrists in the department, in the statement I have read setting forth the purposes of the commission, these complaints were not even mentioned.

This is item No. 1: the minister of veterans affairs, apparently in all sincerity, set up a committee of the house to investigate complaints made by two members of the house on July 16. Then when the commission was set up, and its purposes set forth, among those purposes there was not even any mention of the charges which the commission was set up to investigate. I think every hon. member will realize that this was a flagrant disregard of the privileges of members of the House of Commons on the part of someone, and certainly it should not be allowed to go into the archives of the past and be forgotten. It remains to this day to be explained how that discrepancy occurred between the purposes set out in the order in council and the purposes for which the commission supposedly had been set up.

It is about this remarkable commission that I wish to protest this afternoon. May I point out at once that no one of the veterans concerned is in my constituency or in my province. I had contact with Mr. Kirchner and was directly interested in these men, purely because they were Canadians and veterans. But as a member of parliament responsible for the welfare of veterans and Canadians as a whole, I feel it my duty to bring this matter to the attention of the committee, and see if it cannot be cleared up.

This commission began to do strange things right from the time it commenced activities —strange things so far as I can see. There may be something I have not had brought to my attention; if there is, I shall be happy to be corrected. On November 26, 1947, as indicated at page 6234 of *Hansard*, the commission assumed authority to recommend to the minister whether he should sponsor further inquiry or action. When has it been established that any group of persons appointed by parliament as a royal commission, or as the agent of parliament, should feel itself empowered to make a recommendation to the minister as to whether he should go further into the subject under their examination? The fact that they presumed to do such a thing constitutes a most astonishing irregularity. Yet these gentlemen were responsible for that very thing on November 26, 1947. This statement I quoted at page 6234 of *Hansard* for June 30, 1948:

> It was agreed that the commission would examine the files of the cases in which Mr. Kirchner had made representations and the other evidence at hand and would recommend to the Minister of Veterans Affairs whether he should sponsor further inquiry, or action.

The commission had no authority whatsoever to do anything of that kind, so far as I can see. They were appointed to look into the cases of these veterans who, according to the representations of Mr. Kirchner, had suffered injustice at the hands of the Department of Veterans Affairs of Canada. They should have gone about doing that, instead of undertaking to advise the minister.

Apparently most of the evidence which this commission considered was recorded upon phonograph records, and that evidence has never been transcribed. Let me ask hon. members this question: what would hon. members think of the Rowell-Sirois commission report, if all the briefs and evidence upon which they based their findings had been recorded on phonograph records and had never been transcribed and made available for the people of Canada to read? What would you think if the Turgeon grain commission had been dealt with in that way? What would you think if a parliamentary committee, as my hon. friend has suggested, spent public money and time taking evidence and having that evidence recorded on phonograph records, then neglected to transcribe the evidence so that the people could read it? A report by this McCann commission was made out supposedly on the basis of the evidence, but the people who read the report were unable to gain access to the evidence except by listening to phonograph records before they were destroyed. Surely, it was a most astonishing way to proceed, to have members go into the archives to listen to phonograph records. They would have to depend entirely upon what they could remember. Perhaps the commission was advised to take evidence in that manner, but I think this house and the country are entitled to know who gave the commission permission or advice to make records of the evidence and not transcribe them or put them into a regular report which would be available to the members of the house and the people of the country.

The next important thing concerning this commission is that the veterans' witnesses were sworn, while the witnesses who appeared to give testimony against the veterans were not sworn. All hon. members have to do is to contemplate the seriousness of the injustice indicated there. Imagine that all those who appeared in support of the veterans were sworn, and all those who appeared to give testimony against the veterans were not sworn. They were free to say anything they chose to say. Did you ever hear of a public inquiry being conducted in such a slipshod and inequitable manner as that? Our present Minister of Veterans Affairs is in no way responsible for this. It was left on his doorstep so far as I can make out. I do not think he was responsible for the set-up

of the commission, the direction to the commission, or anything pertaining to the commission. However, we have the words of the minister concerning this matter of swearing the witnesses. On June 14, 1948, the member for Peace River requested a copy of the evidence and proceedings of the McCann commission, and in a statement on page 5151 of *Hansard* of that day, the minister said:

> The witnesses were not sworn, and as a result they gave evidence over and above that which would have been required had they been informed that they were proceeding on a formal basis under oath. Some of the discussions at Vancouver were recorded on sound recording discs in order to assist the commissioner in writing his report on that phase of the hearing.

The minister does not specify that the witnesses for the men were sworn, while the witnesses against the men were not sworn. My information, however, is that that is what took place.

An important item concerning this commission is the fact that it consisted mainly of doctors, and no commission counsel was retained. They were free to obtain the best counsel available in the Dominion of Canada. They were free to call any person before them to supply evidence on any aspect of the problem under consideration, had they desired to do so. There is no excuse whatever for the commission omitting to retain counsel of the greatest ability. I think what I have said so far is sufficient to indicate that the most remarkable set of circumstances pertains to this commission. I am not saying for one moment that the commission did not act in good faith. There must have been some sort of misunderstanding somewhere, and I believe it is our task to find out how it arose. As a result of the misunderstanding, an apparent injustice was done.

It is interesting to note that from the very beginning of the investigation there was a campaign of what, from the standpoint of Mr. Kirchner and the sixty-two men, was misrepresentation. The misrepresentation would appear to have been designed to discredit Mr. Kirchner, to discredit the men, and discredit their claims, so that Mr. Kirchner would no longer be respected when he brought a case to the attention of the government, and the men's cases would not be heard with respect thereafter.

Now, this is the way the campaign of misrepresentation was conducted. At the outset it was advertised that the commission was going to investigate the kind of services that were being rendered in veterans hospitals, such as the Shaughnessy hospital in Vancouver, and the sort of medical services that were available to the men. Mr. Chairman, Mr. Kirchner had never once brought up any question concerning those two points. From the beginning he maintained that Shaughnessy hospital was of the highest quality, and the medical services available under the Department of Veterans Affairs were of exceedingly high efficiency. For the commission to set out to investigate those two subjects, and begin a campaign to publicize those as the things they were going to investigate, was certainly playing unfair in respect to Mr. Kirchner and the men who were in his charge.

The next interesting thing is that this commission omitted to examine all of the cases. Only a few of the sixty-two cases were brought before the commission, and apparently they were selected. For any commission that was appointed with full powers under the public Inquiries Act to examine into a vexatious problem that had been irritating the country for years to neglect to examine all the cases amounts to the commission being derelict in its duties. According to my information, and I had it directly from Mr. Kirchner, the men who were subpoenaed to appear before the commission were required to appear personally, without the assistance of their pensions advocate. What would any ordinary man, or any ordinary member of this house, feel if he were subpoenaed to appear in a court in which his case was being tried, and his lawyer was not called in to present his case? It is exactly that sort of thing that was done in respect to the men who were called before this commission. The men were put on oath so they were afraid to make any remarks they had not come prepared to verify. They would be speaking from memory altogether, and the result would be that their testimony would be of a most unsatisfactory kind from their standpoint.

I cannot see how a commission, appointed under the conditions under which this one was appointed, having regard to the minister's remarks on July 16, 1947, could have proceeded in a more unsatisfactory way. Mr Chairman, I do not propose to say any more about this remarkable commission at the present time, but I can tell the minister that before we are finished with his estimates this year I think this house expects him to explain the irregularities in this situation. He should explain to us why a commission that was set up to examine two charges; namely falsification of records of men and felony on the part of psychiatrists of the department, should have devoted its time to a consideration of two completely different charges that were never laid in parliament, namely, the quality of the hospital service rendered at Shaughnessy and the quality of the departmental doctors who were available

for service to the men. From what I read in appendix A, I must say that the commission was entirely within its rights when it did devote its attention to the staff of the Shaughnessy hospital and the doctors employed by the Department of Veterans Affairs, because those were the purposes which were set forth in the appendix. What needs to be explained is why in the world the appendix or the order in council had failed to set forth the real purposes for which the minister of veterans affairs had apparently given his word there would be an investigation.

Then, of course, the next thing the commission has to do is to explain why they did several other things that I have mentioned, and I expect the minister to give the committee and the country answers to these questions. Why was it that this commission saw fit to take the most important evidence on phonograph records that were never transcribed and rendered available to the general public? Why was it that the commission, having before them the job of investigating 62 cases, saw fit to call only four or five cases? Why was it that the commission saw fit to swear some of the witnesses and to leave a number of the witnesses unsworn; and, if my information is correct, to swear the very men who should not have been sworn and not to swear the men who should have been sworn? Then the next thing that the minister ought to explain is why the commission submitted to him and to the country a sketchy report in which we have their opinion instead of the evidence upon which they based their opinion.

Then I should like to ask the minister if he will tell us another thing, after he has had time enough to go into this matter—I am not expecting his answer today because he could not have known that a thing like this would be brought up, and consequently he is at a great disadvantage in attempting to answer what I have said—I should like the minister to tell us what he thinks can be done to guarantee justice to these 62 men who were evidently deprived of justice if the evidence of Mr. Kirchner submitted on their behalf is true; because this commission, either because of the terms of reference prescribing the duties set forth for the commission or because of the way the commission discharged its responsibility, neglected to look after that matter. There are 62 or 63 men there. I have the personal files of a number of these men in my possession, and Mr. Chairman, they constitute material that is a serious reflection on the Department of Veterans Affairs of those days. I shall be glad to bring down to the committee some of the evidence in support of some of these cases. I think the minister will not be able to square the department until he is able to take several of these cases at least and explain away the irregularities which are attributed to the Department of Veterans Affairs by the evidence of these men. I should like to know what he proposes to do now with respect to these 62 or 63 men so as to guarantee or to give them some sort of guarantee that they are going to receive justice.

Mr. Lesage: That is about forty minutes.

Mr. Blackmore: That is all right. If we spent five times forty minutes to clear up an abomination like this, we would be doing very well. This constitutes an outrage of the first magnitude, so far as I can see.

Then I think the minister ought to explain, as I have already indicated, in considerable detail, just exactly how it came about, if it is on record, that after the late Hon. Ian Mackenzie promised the house by implication on July 16, 1947 that a committee would be set up to examine into the charges which were laid by the hon. member for Acadia and the hon. member for Swift Current, he failed completely to keep the promise under the terms under which the commission was set up. This is the first that I have had to say concerning this matter, but it will not be the last, Mr. Chairman, in this session.

Mr. Blair: I am obliged to leave shortly in order to attend an important committee. As a member of the opposition, it is not my purpose to defend the government at any time, but I believe in telling the truth; and I think that those things which are good should receive attention. When there is something to criticize, I think it should be criticized.

I have before me the terms of reference of this committee and they are as follows. They were to report to the Minister of Veterans Affairs on:

(i) the adequacy of the treatment provided by the Department of Veterans Affairs with respect to the cases concerning which Mr. Kirchner has made representations;

(ii) the qualifications and competence of departmental doctors treating these cases; and

(iii) the adequacy of pension consideration given to the cases concerning which Mr. Kirchner has made representations.

In so far as Mr. Kirchner is concerned, that is absolutely none of my business. He was a distinguished soldier, twice decorated for gallantry. But I am going to say this. Every person is not a psychiatrist; every person is not a surgeon, nor an orthopædic man nor a man trained in the subject of internal medicine. With regard to the records being kept, I think that the hon. member who has just spoken would not want his history spread before the public on paper as the report of a

royal commission especially if the case were confidential. When you are dealing with veterans, I do not think there is one hon. member in this committee who would want the veteran's personal history spread before the public to make reading.

Serious charges were made against the hospital at Vancouver. If the hon. member wants to read some of those charges, I have the file in front of me. I am not going to place them before the committee.

Mr. Blackmore: Would the hon. member tell us who laid the charges?

Mr. Blair: Yes; and I have them signed.

Mr. Blackmore: Was it Mr. Kirchner?

Mr. Blair: Yes.

Mr. Blackmore: When did he lay the charges?

Mr. Blair: Would you like to hear them?

Mr. Blackmore: I want to know when he laid them.

Mr. Blair: On May 26, 1947. It is signed in print and also initialled by Mr. Kirchner. Those charges referred to things in Shaughnessy hospital which would not be tolerated at any time by the Canadian public, let alone the veterans. If you wanted it, Mr. Chairman, I could read into the record here certain statements that have been made, but I do not feel like doing that. Suffice it to say that serious charges were made against this hospital and against the surgeons who were operating and working in it. Dr. McGarry, now deceased, and I investigated the surgery in that hospital. We were up there at eight o'clock in the morning when the operating room first started to work. I must say this so far as the hospital was concerned. I reported to the veterans affairs committee when I came back. Dr. McGarry was not feeling well. I found it necessary to report before the veterans affairs committee that the hospital surgeons were most competent. I saw some of the finest work being done out there that I have ever seen in my life. There were statements made about the disabilities caused to men through an operation on the spinal discs. We found that the records of that hospital were far above the average. I should not say "far above." Let me withdraw that. We found that the records were equal to and slightly better than those of some of the best hospitals in this country. You have to be fair about these things.

We found that hospital most efficient. Do not let it be said that I am covering up doctors because I am a doctor. I covered nobody when it came to the plight of the veterans or the disability of any man. But these were most competent doctors. I see now that one of the surgeons has been appointed to a new chair of surgery in British Columbia's new medical school. When I saw that I remarked to myself that they had obtained a good man.

So far as the other branches of the hospital were concerned, we found equal efficiency; and so far as the whole report of the committee is concerned let me again draw your attention to this. If the committee did not write down on paper the result of the interview with every man—and when the hon. member says that there were only four or five cases investigated I want to tell him there was a thorough investigation—

Mr. Blackmore: How many cases?

Mr. Blair: We saw forty or fifty; at least I saw them personally out there, looked at them and examined them. It is quite all right to clear myself in this matter, and I am not defending the government because I would criticize them if I found something wrong. I criticized it before the veterans committee with the result that a clause was put in the veterans act which made it impossible or nearly impossible for some of these things to happen again.

As regards what we found in 10 per cent of the cases, I did criticize the government. I am calling a spade a spade. If a thing is true, if a thing is good, say so; if it is not, say so. We found in 10 per cent of the cases that we investigated out there that the government, or through its agency the Canadian pension commission, was not giving the benefit of the doubt to veterans. At that time in the veterans committee we brought in some enabling legislation which makes it imperative that the Canadian pension commission give the veterans the benefit of the doubt.

At first I did not feel like defending this thing because I was satisfied in my own mind that this commission had done a good job. Everybody wants to be a doctor or a psychiatrist. I believe in keeping the confidence of any patient that I examine. I could make statements in this House of Commons with which every hon. member would be in complete agreement, including the hon. member who has made these serious charges. It is sufficient to say, sir, that this committee was absolutely satisfied with the good hospital and the good staff, and that these serious statements which have been made regarding the mutilation of veterans had no foundation whatever. The hospital was most efficient. It had a good staff. I am perfectly sure that I am right in saying that it had as good a staff as could be obtained in any section of the country, and that the citizens of British

Columbia and Vancouver, particularly, might well be proud of the hospital and of the staff as it was at the time of the inspection.

I am not going to argue this question. I think it is more important to go to the committee on old age security at four o'clock than to stay here arguing this case; but I again call your attention to the fact that I would not want any relative of mine, who is a veteran in any hospital—I would not want his case to be paraded before the country whether he has to suffer from some form of psychosis; nor would I want his physical disability to be paraded before the whole country. In this I think laymen will be forced to recognize—and I think they will approve of it—that doctors have some degree of honour. I am just as much interested in the veterans as is any member of this house because—and I say this without any degree of, let us say, blowing—my family has been intimately connected with both wars. My son was a patient in the veterans hospital for two years after he came back. I am proud of the surgery, of the work and treatment that were given him. It was of the very best. I have no criticism to make. When I have a criticism to make of the Department of Veterans Affairs I will let them have it from the shoulder, but I am not going to be a party to any criticism involving myself as a medical member of that committee.

Mr. Blackmore: Mr. Chairman, it is quite obvious now that while everything the doctor says is completely reliable he has once more completely sidestepped the issue. Let me mention once more the fact that the charges were falsification of documents.

Mr. Blair: It was all looked into.

Mr. Blackmore: Why was no report given on that? You do not need to parade a man's personal and private affairs before anybody in order to prove whether or not his documents were falsified.

Mr. Blair: No.

Mr. Blackmore: There is no reference whatsoever to the question of felonious behaviour by psychiatrists in falsely diagnosing the condition of nerves of a young man, attributing his condition of nerves to a pre-enlistment condition, by calling it mental, whereas it should be attributed probably to something that occurred in service. You do not have to show any unsightly facts about a man's history in order to probe into these two problems, and these are the two problems which were specifically mentioned before the minister of veterans affairs, Mr. Mackenzie, on July 16, 1947. The doctor, however, has sidestepped the whole thing.

If Walter Kirchner made the charges against the Shaughnessy hospital and the doctors of the Department of Veterans Affairs I have never heard him do it, and I have heard pretty nearly everything that Walter Kirchner had to say for years because I worked with him. Anyway, these are not the things that Mr. Mackenzie said would be looked into. What I want to know is why in the world this commission was not set up to look into those things that Mr. Quelch and Mr. Bentley dealt with in the house on July 16? Why was it not set up to look into those things and why did it not do it?

The next important thing is this: I agree with the doctor that in the life of probably a good many soldiers there are many many things we would not have exposed to view; yet because of our reticence in this particular thing we leave the way open for the grossest kind of abuse of privileges on the part of nefarious men who as officials will deliberately falsify the records of a soldier in order to deprive him of his pension. There is no doubt in the world that that sort of thing has been done. There is no doubt in the world, as far as my information goes, that psychiatrists have been guilty of diagnosing a case pre-enlistment when it should never have been pre-enlistment. What I want to know is whether these two abuses were found in the records of these sixty-two men.

Mr. Martin: The doctor dealt with that.

Mr. Blackmore: The doctor did not say a thing about that.

Mr. Martin: Yes, he said that was examined.

Mr. Blackmore: The doctor said not a word about that.

Mr. Martin: Yes, he did.

Mr. Blackmore: The report does not detail anything in that respect.

Mr. Martin: He said that was looked into.

Mr. Blackmore: Let us get the record completely straight. The doctor did not say a word about the psychiatrists. No, what he said—

Mr. Mitchell: What is a psychiatrist?

Mr. Blackmore: I wish we all knew.

An hon. Member: You should know.

Mr. Blackmore: I do not intend to get sidetracked now, not for a minute. If the minister does not know what a psychiatrist is, there is a dictionary in the library and he may go and look at it.

Mr. Mitchell: I will give my definition of a psychiatrist. It is just an excuse for sin.

Mr. Blackmore: The minister could not have made a finer contribution to my case than he made in that remark. The conclusion I have arrived at is that psychiatrists have come to be a synonym for sinners in the Department of Veterans Affairs. I say that what the doctor has said utterly sidestepped any idea of the truth. I am not advocating that facts pertaining to the lives of these soldiers should be exposed, but I do contend that, if soldiers' service records have been tampered with or falsified, that can be proved without revealing any unsightly facts in their lives. If a psychiatrist has diagnosed a soldier's case pre-enlistment when that should never have been done, you can expose that without exposing any unsightly thing in the soldier's life. That is all I am asking for. I do think that this committee and the country and the sixty-two men involved are entitled to have these matters cleared up.

Mr. Gregg: Mr. Chairman, I do not propose to follow the hon. member for Lethbridge, but he asked a number of questions as appear in *Hansard* of June 30, 1948, which he says I have not covered.

Mr. Blackmore: I did not say a word about those questions. The minister must be wandering in his mind.

Mr. Gregg: I understood that in the early part of his remarks the hon. member quoted *Hansard* of June 30, 1948, that is his own speech, when he asked certain questions which he wanted the minister to reply to.

Mr. Blackmore: I did not say a word about those questions.

Mr. Gregg: The reasons why I have not answered them to date were given more fully and better by the hon. member for Lanark than I could possibly do. Across Canada there are something like 10,000 men and women who have been seriously broken or damaged in either world war I or world war II, some of them mentally, some of them physically, and some of them suffering a combination of both. Under no circumstances will I be a party to publishing in the records of this house intimate departmental details on the mental and physical condition of individual veterans, giving their regimental numbers and names, as was done in the *Hansard* I have referred to.

I realize that hon. members must bring up individual cases from time to time, in a hypothetical way, in order to prove their argument to establish a principle. We welcome that. But as the hon. member for Lanark so well said, there are none of us who would want the record of our son, our daughter, our brother or our sister spread on the pages of *Hansard*. In the next breath I want to say that ever since I came to the department I have continuously offered to the hon. member for Lethbridge complete access to the records for his personal and confidential information. He has been free to discuss with the medical men of the department any point he might care to when investigating these cases.

The hon. member asks me what I am going to do about the sixty-two cases about which that gallant gentleman, Walter Kirchner, has complained in British Columbia. I will tell him what I did about a few of them. When I was in British Columbia I went to see them. I came into a certain hotel in the Okanagan valley on a June night at about one o'clock and I found in the lobby of the hotel one of these men to whom the hon. member for Lethbridge referred two years ago. We sat down and talked about his past. What I am doing, what my department is doing, what the medical men and the administrative people are doing is to make sure that the utmost care and attention is given to these sixty-two patients of the department as well as the other 10,000 seriously hurt whom we have to care for.

In regard to these particular cases I am sure it is unnecessary to remind my hon. friend that the mere fact of their circumstances having been noised abroad in this house is a deterrent to their recovery. I do not mind his criticism regarding the McCann commission, and I am sure if the Minister of National Revenue were here he would not mind it any more than the hon. member for Lanark did a little while ago, except that he would want to express his point of view just as forcibly as did his professional colleague. When cases are brought to the attention of the house, as the hon. member for Lethbridge has done—I am grateful to him for not doing it by naming the individuals today—the individuals concerned are placed under an unnecessary strain in their rehabilitation and recovery.

I do not propose to go back into the history before my tenure of office in an attempt to do the things which the hon. member for Lethbridge has suggested I should do. I believe that there are a group of members on all sides of the house from British Columbia who are quite able to express any complaints on the part of their constituents. I have not had from any one of the nine or ten ex-servicemen who make up the British Columbia membership in this house any complaint or suggestion that the charges of persecution and other things made by the hon. member for Lethbridge had any basis

in fact. Not one suggestion had been made during the two years I have been Minister of Veterans Affairs. In view of that fact, and because I have looked very carefully into these things in the department, I do not propose to go into the background of what is known as the McCann commission.

Mr. Blackmore: Which means that the minister does not propose to tell the committee how it came about that when specific charges of falsification of records and misdeeds of psychiatrists were made on July 16, 1947, the commission was set up with terms of reference specifically omitting both of those charges?

Mr. Gregg: It was not a commission in the formal sense. If I read the story of my distinguished predecessor correctly, that commission which represented both sides of the house was set up with a sincere desire to have charges that were presented at that time looked into fully and carefully and informally. I do not think there was ever intention of calling counsel and making it in substance a commission. I am completely satisfied that if there had been any basis for the charge that records had been falsified, or in the other matter referred to by the hon. member for Lethbridge, the gentlemen who went west on that commission would have taken them into consideration in their report.

Mr. Blackmore: The minister's statements are entirely out of contact with the facts. The commission was set up under part I of the Inquiries Act, and to call the proceedings of such a commission set up under such circumstances informal is nothing but sheer nonsense. If it was never intended that this should be a formal commission investigating in a first-class manner, why was all the trouble taken to set it up under part I of the Inquiries Act?

Mr. Goode: The minister has mentioned that the British Columbia members have made no representations in this matter, and he is correct. As a new member of the house, I had representations made to me some time ago about these cases. I have learned in the short time I have been here that I am on safe ground to refer such cases to certain veterans organizations. If these organizations support them then I take them to the department. I can say now that when I took two of these cases to a certain veterans organization the organization did not support them, and therefore I have not brought them to the attention of the minister.

Mr. Mutch: Before the item is carried may I say a word. It falls to my lot to say a few words about one who, for some thirty years, has been a "good companion" to all who have sought in this chamber and elsewhere to serve in civil life those who served all of us in Canada's wars. It is both a privilege and an honour to pay tribute to one who so richly deserves it. It is a pleasure deeply tinged with regret that the time has come when such tribute can be appropriately made. Perhaps no one in the house has been blessed with a wider opportunity to work and enjoy a measure of intimacy with Dr. Woods than it has been my good fortune to enjoy.

There are others more qualified than I to speak of the genius which he brought to bear upon the problem of organization in the Department of Veterans Affairs. There are many in the chamber who will have had personal experience of his patience and unfailing tact as he sat with us in various committees. There are many indeed who have experienced his help in attempting to obtain benefits for veterans who had appealed to them.

I should like to pay my tribute to the man himself. For more than three decades he has made a career of seeking the ultimate good of Canadian veterans. This has been his life work, he has made their problem his problem, and from their ranks he has drawn many of his personal friends. In Dr. Woods' relations with his associates he has been a loyal colleague and a considerate chief. Under his example his associates have been inspired to regard their jobs as an opportunity for and indeed a call to service.

Walter Woods, as he is known to thousands, served in the ranks in world war I. It is characteristic of the man that even then he was enlisted in a cause rather than embarked upon a career. As a senior civil servant Walter Woods has lived up to the best traditions of the service. He has never forgotten that to a man in trouble his problem is, for the moment, the most important thing in his life. He has not forgotten that members of parliament, however limited in their personal capacities, appear in this house and in departmental offices clothed with the dignity which public election has conferred upon them. Because of this quality Walter Woods has been able, yielding nothing from the dignity of his own office, to be friendly, courteous and co-operative, and never compromising the position of those who sought his help.

It has been said, and I think rightly, that Canada came out of world war II better organized than any other allied country to meet the immediate post-war problems of the veteran. That this was true was and still remains a wonderful tribute to the late Right Hon. Ian Mackenzie and the government

which encouraged him. Mr. Mackenzie was always quick and generous in his tribute to the man who was not only the chosen instrument in the initiation of administration but also a wise and valued counsellor on matters of policy.

I might go on endlessly, Mr. Chairman, illustrating the qualities and character of Walter Woods, this great public servant. I will not, for his story is written in the hearts of men. This session will be his last in his post as deputy minister of veterans affairs. It is for that reason that I have desired to pay him some tribute while he is here among us. It will be the wish of all of us that as he goes to take his leisure he will preserve permanently for us and for posterity something of the store of wisdom he has acquired. For inspiration, for encouragement, for high example of selfless devotion in a great cause, for good advice and for some discipline, I desire to tender my personal thanks publicly.

Mr. McIvor: In the last few years I have had a good deal to do with the pensions board and the Department of Veterans Affairs. I must say that I never wrote a letter or made a request to which I did not get a prompt reply and reasonable answer from Walter Woods. I should like to give the example of one man who was receiving $9 a month as a pension consequent upon his service in the first world war. He jollied me along and said, "I hope you will look after the veterans better this time than you did last time". I said, "What is the matter with you?" I got his army number, and his pension was raised to $60, then to $80 and now he is getting $100 a month, because it was a case where the doctors perhaps did not agree. I should like to say that I think the family doctor should be given far more consideration that he is. These doctors know the pensioners. I had one case where a man died with shrapnel in his liver. The other doctors disagreed and thought he was foolish. The post mortem showed, however, that the shrapnel was there. I hope to have this man's widow taken care of. I should like to pay my tribute to the minister and to his predecessor. I heard the late Right Hon. Ian Mackenzie stand up in the house and say that if there was any man who knew of a pensions advocate who was not giving the pensioner the benefit of the doubt he wanted to know about it. That attitude was a splendid influence and help. The present minister is doing a great job, and we should back him up. I should like to pay my tribute to the chairman of the pension board and to the others who have given us such outstanding service. I could give a long list of cases where men have benefited.

Mr. Green: Mr. Chairman, knowing Mr. Walter Woods very well I feel quite confident that these are very embarrassing moments for him. I hesitate to add to his embarrassment. Down through the years it has been the privilege of those of us who have served on veterans affairs committees to learn of the wonderful work done by Walter Woods. I think Canada is fortunate in having a civil service that cannot be excelled in any other country of the world. In that service I do not believe there has been a finer civil servant than Walter Woods. He has been a great friend of the veteran, and I think a great friend of the Canadian people. The way in which he has approached the problems of veterans has shown him to be one of the biggest men of our generation. I am very happy to be able to pay this slight tribute to him today. It is too bad for Canada that the time has come when he has to retire. I am sure that all of us hope he will live for many years to enjoy the retirement he has earned so well.

Mr. Herridge: On behalf of this group, and particularly the members of this group who are veterans and who have had a long association with Dr. Woods, I want to express our support of the statements of the previous speakers and our admiration for the long period of service Dr. Woods has rendered to Canadian veterans and their dependents. I am sure Dr. Woods will be long remembered by thousands of veterans and their dependents in Canada because of the things he has done for them. Whether it was as deputy minister of veterans affairs, whether he was attending a committee to give evidence, whether he was answering questions, or whether one met him on the street or at a veterans' convention, it was obvious that his first consideration was to do the best he could for the man who served his country.

In concluding my brief remarks I believe I would be expressing the sentiments of the great majority of members of the House of Commons if I were to say, in the words of that grand old poet, Moore:

> When Time, who steals our years away,
> Shall steal our pleasures too,
> The memory of the past will stay,
> And half our joys renew.

Mr. Quelch: Hon. members of this group would like to associate themselves, too, with the kind remarks made concerning Dr. Woods, and the very fine work he has done on behalf of the veterans of Canada. In all my contacts with him in the last fourteen years I have always found him most anxious to do everything within his power in the interests of the veteran. This was specially true during those years when he was chairman of the war veterans allowance board, and when he earned

the reputation of having an understanding and sympathetic heart in respect of all veterans problems. So we extend to him our best wishes for an interesting and enjoyable life in retirement.

Mr. Blackmore: Just before we leave this matter, I should like to put on record—

Mr. Gregg: Before the hon. member continues, would he permit me to express my appreciation of this very happy interlude. There is one satisfying feature, and it is that these kindly words will be preserved and will appear on *Hansard*. One can almost regret that it is not possible for the deputy minister to respond directly to the high tributes which have been paid to him this afternoon by hon. members from all corners of the house. I should think that such a series of generous and well earned eulogies constitutes an almost unique occasion in this chamber. However, it is completely in order that this should have been done, because every phase of the work coming under the Department of Veterans Affairs has been immeasurably enriched by the patient guidance and clear vision of the distinguished recipient of the kind words expressed this afternoon.

As the hon. member for Vancouver-Quadra has said, Canadians owe a great deal to Walter Woods—and when I say "Canadians" I refer to both veterans and non-veterans. Both generations of veterans have an intimate knowledge of his work, and I am sure no words of mine could add to the expressions of appreciation received from one end of this country to the other.

When the veterans returned after the last war, and even before that time when the veterans' charter was under consideration, Walter Woods acted as a focus behind all those activities. He was most active in the evolution of that veterans' charter. To its preparation he gave much of his experience, and to a high degree its success was due to his realistic and friendly outlook on life.

At the time of demobilization there came into being throughout the whole of Canada a marked receptive atmosphere which played a paramount part in the whole job of rehabilitation. That receptive, friendly and welcoming atmosphere has continued from 1945 to the present. Many factors entered into it, one of the most important of which was the setting up of citizens rehabilitation committees in our cities. The establishment of those committees did not just happen; they were evoked by the enthusiasm and hard work of the deputy minister.

And so this afternoon I should like to add my simple tribute to those which have already been made to a friend and a great public servant.

[Mr. Quelch.]

Mr. Blackmore: Far be it from me to strike a discordant note concerning the work of a great man in the veterans' service. I believe he is entitled to those expressions, and I rejoice in the fact that these things have been said. I concur in what was said by the hon. member for Acadia, who spoke for every member of this group.

But, Mr. Chairman, let us bear this in mind, that when an inspector goes out to assess the strength of a chain he does not inspect the strongest link; he seeks out the weakest. It is my business, as a sort of inspector, representing my constituency, to seek out the weak links in what we are doing. Thus it is that we shall pave the way for that evolution to which the minister referred, so that by and by we shall have a set-up in Canada in which we may have complete confidence.

I wish to place only two things on *Hansard*, so that hon. members may know that there has been a good deal of smoke screening resorted to this afternoon by those various members who have tried to brush off what I have said. People will understand that behind these smoke screens there are some grim realities. First of all the minister endeavoured to establish the idea that the commission was not appointed to act as a formal commission. So that the facts may stand right out, and so that we may know just how serious that commission was, and how much this country has a right to expect from it, I should like to quote briefly. First of all, the commission was appointed under the provisions of part I of the Inquiries Act by order in council P.C. 4980 of December 4, 1947, as amended by order in council P.C. 75 of January 8, 1948.

Commissions appointed under that paragraph are not secondary commissions. They stand in a class with the best commissions ever appointed by the House of Commons, and the house has a right to exact just as complete a service and just as clear a report from them as from any commission ever set up in Canada. May I now read the powers the commission had, and in doing so I shall turn first to the Inquiries Act, chapter 99 of the revised statutes of Canada, an act respecting public and departmental inquiries. Part I reads as follows:

1. This act may be cited as the Inquiries Act.

2. The governor in council may, whenever he deems it expedient, cause inquiry to be made into and concerning any matter connected with the good government of Canada or the conduct of any part of the public business thereof.

3. In case such inquiry is not regulated by any special law, the governor in council may, by a commission in the case, appoint persons as commissioners by whom the inquiry shall be conducted.

4. The commissioners shall have the power of summoning before them any witnesses, and of requiring them to give evidence on oath, or on solemn affirmation if they are persons entitled to

affirm in civil matters, and orally or in writing, and to produce such documents and things as the commissioners deem requisite to the full investigation of the matters into which they are appointed to examine.

5. The commissioners shall have the same power to enforce the attendance of witnesses and to compel them to give evidence as is vested in any court of record in civil cases.

All I am asking is that this House of Commons and the minister shall demand of the commission under consideration, the McCann commission, the performance they have a right to expect under the provisions I have just read. That is all. I suggest they have not begun to discharge their responsibilities under those provisions.

Then the next little bit of smoke screening that has been done has been to raise the crocodile tears about having the private records of the soldiers thrown open to public gaze so that everyone could read them, but that is not what I proposed. Oh, the hon. member need not try to laugh it off.

Mr. Lennard: I am not trying to laugh off the hon. member or anyone, but I know a rose when I see one.

Mr. Blackmore: The hon. member cannot know a rose unless he looks at it. Here is the sort of question to which the commission would have found the answer. These are questions that were asked by the member for Acadia, as found on page 5764 of *Hansard* for July 16, 1947:

Did Dr. William Baillie, departmental psychiatric consultant, who has never seen John Thom personally, submit as "evidence" to the Canadian pension commission his opinion based solely on a statement alleged by Dr. B. F. Keillor to have been made to him by John Thom?

Did John Thom submit evidence to the Canadian pension commission denying the statements attributed to him by Dr. B. F. Keillor and submitting documentary evidence in proof they should have been expunged from the records as falsities?

Did the Canadian pension commission accept Dr. William Baillie's opinion, based on Dr. B. F. Keillor's challenged statement, to outlaw John Thom's pension claim as a total war disability?

I do not think there is any member in this house who would hesitate to have the facts of his personal life, or that of his son, or his brother, or his grandson, or anyone else, revealed to the extent of answering questions like that. Those questions could have been answered sufficiently to justify or to condemn this action. Those are the questions this commission was supposed to answer, and I submit the greatest detail could have been given concerning the evidence bearing on all such questions as those. Those questions should have been investigated, evidence should have been adduced and included in the report.

Mr. Green: There are two questions I should like to place before the minister in connection with this item. The first one is this. During the present session frequent requests have been made of the minister that a committee be set up to deal with veterans affairs. As you know, Mr. Chairman, we have been unsuccessful in those requests. I regret that there has been no such committee during this session. It is now too late for a special committee to function, but I should like to urge upon the minister that he have such a special committee set up during the 1951 session. In fact, I would prefer to have the rules amended to provide for a standing committee on veterans affairs. If the minister does not see fit to make a recommendation for a standing committee, he should at least have a special committee of the house set up to deal with these important questions. There are important problems coming up all the time, and sooner or later a committee of the house will have to be set up to deal with them. The longer the establishment of such a committee is delayed, the more difficult the problems become.

For example, there is the question which has come up within the last twenty-four hours concerning hospitalization. There are different views on that question which is worrying the veterans across the country. Much has been done in that respect, but there is dissatisfaction with regard to some of the provisions. This dissatisfaction could probably be ironed out if a committee were given an opportunity of considering the question. Another problem concerns the treatment meted out to the men of the merchant navy. As the minister knows, I have raised that matter on various occasions, and I do not intend to do so again today. The position of these men should be examined carefully by a committee of the veterans of this house.

There are other problems connected with the war veterans allowance and the pension act. For example there is the position of the children of those veterans who gave their lives for this country. Today those children are likely to be handicapped because their fathers were lost when serving Canada. I have always hoped that some arrangement could be made so that these young folks could start off in life on just the same basis as the children of those of us who were fortunate enough to come back from one or both of the great wars.

Those are just four of the problems which I believe could well be considered by a committee of the house. If the minister would intimate now that he intends to ask for the establishment of such a committee next year, the result would be that the Canadian Legion, the Army, Navy and Air Force Veterans, the

Amps, the Canadian Pensioners Association, the Canadian Corps Association, and other veterans bodies could be considering the various problems and preparing briefs on them. I am sure that when their representatives appeared before such a committee they would present briefs that would be extremely helpful. They have always done so in the past, and would do so again. My question is whether or not the minister would be willing to recommend the setting up of a committee on veterans affairs at the next session.

My next question has to do with the medals issued for service in the recent war. There has been discussion in the house from time to time about those medals being issued without the names inscribed thereon. I suppose it would be too late now to do anything about the medals for the men who returned, but I believe the minister should give consideration to calling in the medals which were sent out to the next of kin and having the names inscribed on them. Some months ago when in Vancouver I was interviewed by a father who had lost his son. He was deeply concerned about this whole question. In fact, he felt so deeply he wrote a letter to the minister. I have a copy of it, and I should like to read a paragraph or two which I believe sum up the situation just about as well as it could be done. He writes:

If these medals had borne my son's name, I would have been glad to receive them and proud to place them in the family archives. It happened that my son died well. But they do not bear his name. They are just four medals picked from four stockpiles, packed, not too tidily, into four little boxes and sent with instructions on how they should be worn.

Worn by whom?

He goes on to say he is returning the medals, and then we find this paragraph:

I suggest the government could, even now, cleanse from the national record the more hurtful feature of its disgraceful parsimony, by recalling at least all medals sent to next of kin and having them inscribed with the names of the men who earned them.

There is nothing more that one can add to that request. I do hope the minister will be able to give us some assurance that there is a possibility these medals will be called back for the names to be inscribed thereon. Those are the two questions upon which I should like to have a statement from the minister, Mr. Chairman.

Mr. Herridge: Before the minister replies, I should like to support the remarks of the member for Vancouver-Quadra concerning the calling of a veterans affairs committee for 1951, to consider veterans legislation. This proposal was made by the Canadian Legion some months ago, and they are very emphatic about it. Now that close to three years have elapsed since the committee last sat, they believe that the government and the country have had some experience with the important legislation which was drafted or adopted at that time. The hon. member for Vancouver-Quadra mentioned hospitalization. In British Columbia, while we are well pleased with the services of the administrator and the officials of the department in British Columbia, I think there are certain aspects of hospitalization which should be brought to the attention of the committee and discussed. The same thing may be said with regard to the merchant navy which the hon. member speaking previously has mentioned. That is a situation that wants clarifying. A good many people in this country believe that something more must be done for the merchant navy veterans if justice is to be done. Then there is the question of the Veterans Land Act. The Veterans Land Act administration has, I should say, been effective and on the whole successful; but there are certain local situations which arise, certain details of administration and certain weaknesses in the legislation that should be discovered and considered by a committee.

Then again, there is the administration of the various benevolent funds for veterans. I think it would be wise to have a report from the administrators of those funds to a veterans committee in order to see if the legislation and the administration can be improved. I therefore urge the minister to give consideration to the proposals of the Canadian Legion—those are the proposals we are actually advocating this afternoon—that a special parliamentary committee on veterans affairs be called to discuss these important questions.

Mr. Higgins: I have one question to ask the minister, and I will not delay him long. It is in connection with the supplementation of the imperial pensions. In order that the minister may be aware of the situation, I believe an answer was given last year which may be found at page 443 of *Hansard*. The question was asked by Mr. Church and the reply was given by the parliamentary assistant to the minister. The question was as follows:

1. In view of the devaluation, will consideration be given by the government to providing imperial veterans residing in Canada some allowances for devaluation of the pound sterling?
2. Will any action be taken?

The reply was:

Canadians who were domiciled in Canada prior to their service with the British forces have their British awards of pension supplemented by Canada to an amount equivalent to that paid to Canadian pensioners under similar circumstances. The recent devaluation of the pound sterling will consequently not affect such pensioners.

The other part of the question is the one I am more interested in.

The only proviso is that such supplementation may only be paid during residence in Canada. Other than the foregoing, no provision exists to pay moneys from public funds to imperial veterans who were non-pre-war residents and have income from some British source on the grounds that their income is affected by the change in rate of exchange.

The position is this in one particular instance. A distinguished member of the imperial forces, who began to reside in Newfoundland shortly after world war I and who has been a permanent resident there ever since, I believe has not had his pension supplemented. I was wondering what the answer is to such a case. There are more than one involved, but that is the only one I know of. I wonder if the minister can tell me something about the case.

Mr. Gregg: To try to answer the hon. member for St. John's East first before I come to the other questions, may I say that the situation has not changed a great deal. The group in which he and many of us are particularly interested, owing to the effects of devaluation, are those men who served with the British forces, were not domiciled in Canada before service, were pensioners and came to Canada during past years. Two things of some assistance have happened. One of them is the fact that under our recent legislation small pensioners who came to Canada twenty years ago and have lived here since may be eligible to receive some help under this new legislation. The other one is that the head of the British ministry of pensions here in Ottawa, about the end of our last session of parliament, made a special trip to Britain to seek some assistance; and he obtained assistance to meet hardship. I will admit it was something of the nature of our own war veterans allowance assistance fund. We were called upon—and we are happy to do what we can, although we have no responsibility for doing so—to co-operate with the British ministry of pensions by helping to provide information.

Mr. Higgins: Is there any difference in the type of pension, whether it is long service or disability?

Mr. Gregg: What I am speaking of, of course, is disability pension only.

Mr. Higgins: Long service is not affected at all?

Mr. Gregg: As far as I know, there is no assistance in that regard.

I welcome the opportunity provided by several members to say a word with regard to a parliamentary committee. During the last six months I have had the pleasure of speaking to quite a number of veterans organizations throughout the country. As has been indicated here this afternoon, many of them have represented to me that they would like to have a parliamentary committee from time to time. It might be just as well if I at least had the virtue of consistency and gave to the house what I have said on those occasions.

I believe that there are times for a parliamentary committee on veterans affairs and that there are times for a period of freedom from a parliamentary committee. One of the times for a parliamentary committee is when the government is submitting to parliament important legislation introducing new principles which affect veterans and which require intensive study. A great example of that, of course, was in the years during the war and at the end of the war when orders in council were converted into statutes. But one of the times for freedom from a committee is when the department is absorbed in consolidating changes in legislation and in adapting its administrative technique to meet the new conditions; and I think this last year or two has been one of those periods.

Time and staff have been needed to keep abreast of the changes designed to meet the changing needs. I do not think any hon. member will accuse my department of being averse to bringing in amendments to legislation if we felt that they were needed. In addition to the quite impressive list of changes that were made as a result of the report of the 1948 parliamentary committee, last year quite voluntarily we brought in not world-shaking but still valuable amendments to the War Veterans Allowance Act. This present year we have brought in what I hope will prove to be valuable amendments to the War Veterans Allowance Act. The changes in pension rates, the 1948 changes in war veterans allowance rates and the various changes in the legislation have required some time to digest and to put into force. Government departments I suppose must move slowly and at least they should move carefully. If for no other reason they have to move slowly because they have to move in conformity with some nineteen or twenty other departments. I do not at all mind being pushed as Minister of Veterans Affairs, but I do not want to have the department pushed into making its officers available for study in a parliamentary committee of matters about which nothing can be done at that particular time, and I hasten to add those particular words. I did not want to be guilty of kidding the excellent troops, as might have been done this year, by setting up a committee thus encouraging veterans and other bodies to send representatives long

distances, costing time and money, to make representations before a parliamentary committee which I knew the government was not able to put into effect this year. The one which I knew could be put into effect I brought forward, and it at least has passed this house.

The national organizations of veterans, everyone knows here, are in the closest touch with the veteran constituencies across Canada. I can say the same of the hon. members of this house. There is not a member of this house, in whose constituency there are many hundreds of veterans, who is not in close touch with them. If it is individual cases of grievances, or unfairness or hardships, the quickest and most effective committee or people to deal with it are those in the district office. If no recourse can be obtained there I can assure hon. members that we in Ottawa are only too glad to go into these cases at once. In any event, in the past parliamentary committees have in the main dealt with principles and not with individual cases. When suggestions have been made for improvements in administration or in legislation, open discussion has taken place here and there has been an opportunity and there will continue to be an opportunity for the national veterans organizations to make representations before the minister at any time and before the cabinet at regular intervals. I consider it perhaps as valuable to maintain that direct route as it is slavishly to set up a parliamentary committee every session whether there is any particular job for it or not.

Having said that, may I say that when the government introduces legislation, or for any other reason there are improvements in veterans affairs, I shall be glad to discuss the matter of a committee with my colleagues. I have said these things because I have felt that at this particular session of parliament no parliamentary committee was necessary.

On the other point made by the hon. member for Vancouver-Quadra, my department became the custodians and shippers of the medals in midstream. Hindsight is often better than foresight. If one were put back into the situation that must have obtained at the end of the war when decisions were reached as to what should have been done, my opinion would be that I would have agreed with the steps that have been taken with regard to the medals for perhaps no better reason than this. As hon. members know, all the medals issued to Canadians received the authority emanating from the war office with the exception of one, the C.V.S.M. In former wars they were made in London and sent to Canada. This time—I suppose it may have been owing to the vast number of men and women involved—at any rate in the United Kingdom, in the United States and in Canada decisions were reached that medals be issued without the names stamped on, not engraved, because our old medals were not engraved. They were stamped around the edges as with a punch and hammer; the names and regiment were put on. On that basis our mint went ahead this time and produced them. As it has turned out, there are approximately 3½ million individual medals in the lot. Those who saw the magnitude of this job looming up—certain veterans were entitled to eight medals each—realized that it was going to be easier and quicker to pack them up, wrap them and send them than to have them stamped or engraved and then to sort out John Jones' several medals out of the pile of 3 million. It was admitted that it would take at least three years longer than it did to get out the medals if the stamps were made. I am going to confess immediately that I am not worrying so much about those who are living but I will not take any exception whatsoever to the remarks that have been made regarding those who have gone out to the next of kin. I quite heartily wish it had been possible to have got these and to have had the names appear on them. While I can see difficulties in reversing orders and having them come back, nevertheless my officials are studying the situation to see whether there is any possibility of sending something out that might be attached to them and that would be appropriate.

A question that has been asked not here but elsewhere is, why was it necessary for the veterans to go to the post office and get a postcard like an old field postcard and put on their name and number and address? The answer is, it is not always clear how much veterans, after their rehabilitation, moved around in Canada. Even in respect of those in receipt of pensions, we find it very difficult to keep tab on them from month to month; consequently it would have been simply hopeless to have sent the medals to the addresses registered on the date of discharge.

The suggestion was also made that the medals were not well parcelled. I will admit that the parcel was not perhaps a very solid one. The suggestion is sometimes made that a good deal of slapdash and carelessness was evidenced in shipping out the parcels. I disagree with that. The medals were carefully packed. It was brought to my attention that after the first war when the medals went out they did not know the order of precedence and one was up and one was down; the suggestion was made this time that a little booklet be put in giving that information; furthermore, that

something be inserted so that the veteran's wife or his best girl could sew them on evenly. A bar was put in depending on the number of medals a man had. These, with a message of appreciation from the Minister of National Defence, were put in the parcel and sent to the veteran. But on the point made, I can assure the hon. member that, whether we have any success or not, we will look into the matter with regard to the medals that have gone to the next of kin.

Mr. Lennard: Will the minister refer at this time to the matter I brought up as to why the personnel of Dieppe were not awarded the Northwest Europe Star or decoration. I do not want to know, but I think it should be said at this time.

Mr. Gregg: I would prefer to have the document I have here on that, but I think I can give it quite clearly. My hon. friend means the medal for western Europe.

Mr. Lennard: Yes.

Mr. Gregg: That was the medal authorized by the war office to come into effect for those who landed and fought on the continent of Europe after V-E day, which was, as my hon. friend knows—

Mr. Fulton: After D-day?

Mr. Gregg: Yes, assault on Europe day. That was quite a long time after the Dieppe battle. I know that after a great deal of correspondence steps were taken by Canada and by my colleague the Minister of National Defence to that end. The request was made that these medals be made available for Dieppe; but after long conferences it was decided that if exceptions were made for one group which landed, exceptions would have to be made for the various members of smaller commando raids and other attacks on Europe prior to the main landing.

The Chairman: Shall the item carry?

Mr. Harkness: Is the minister now in a position to answer the question I asked last night? How many of those people who are listed as temporary employees are likely to become permanent employees before the year is out? Is there any estimate of that? The minister said he would take that as notice and answer later.

Mr. Gregg: There are a number of factors involved, not the least of which is the civil service commission. My officials state that they would not like to estimate that there would be more than 3,800 in the whole organization during the coming year.

Mr. Harkness: You do not mean 3,800 more, but 3,800 altogether?

Mr. Gregg: We have 2,331 now and we hope to bring that up to 3,800.

Mr. Lennard: Can the minister state how many are only temporary that have not passed examinations, who are now in certain grades who apparently are not qualified?

Mr. Gregg: I am afraid I have not any information in that form.

Mr. Hellyer: Will the minister give further consideration to the request of the Canadian corps of firefighters? I understand that they have two modest demands, first, eligibility to receive the Canadian Volunteer Service medal and then to be given preference in employment in the civil service. As the minister is aware, these men enlisted for service anywhere without reservation and were subject to great danger. In the British zone, at least, they were required to stay out at times when the armed forces were ordered underground, and they were not too highly compensated for their services. I admit that they have been given most of the benefits that have accrued to the armed forces, but as they did such great service in that area, as they helped with the loading of barges for the attack on Europe, as a commitment was made, at least by inference, by Major General LaFleche that they would be granted equal rights with the armed forces, I wonder if it would not be possible for the minister to give further consideration to their requests?

Mr. Gregg: The two requests, civil service benefits and the C.V.S. medal, are both outside my department. Fundamentally the men referred to were not attested and consequently are not technically veterans and therefore do not come under the Department of Veterans Affairs. By virtue of the fact that similar benefits have accrued to them we have been interested in them.

Perhaps my hon. friend and the committee would be interested in knowing that the firefighter received a gratuity of $15 for every thirty days of service overseas; he was made eligible for vocational training; if in receipt of pension, which I shall come to, he was eligible for benefits under the Veterans Land Act; if he was hurt by enemy action he was eligible for pension; he was eligible for veterans insurance; he came under the provisions of the Reinstatement in Civil Employment Act, which I will admit at once was not used very much, and he received benefits under the Unemployment Insurance Act.

Mr. Hellyer: The auxiliary supervisors were eligible for the Canadian Volunteer Service medal and I was wondering if the same privilege could not be given to the firefighters?

Mr. Gregg: I do not see how it could be done because the basis of eligibility for the Canadian Volunteer Service medal was volunteering for service in His Majesty's forces.

Mr. Lennard: That brings up a matter which perhaps I should not bring up, that these promises were made. We will let it go at that, but I think it should be on the record again that they were promised these benefits by a certain representative of the government. That is an established fact.

Item agreed to.

530. Veterans welfare services, $3,494,538.

Mr. Harkness: I understand that steps have been taken by the department to secure employment for older veterans. Could the minister tell us what is being done along that line at the present time and what success has been achieved?

Mr. Gregg: Quite apart from our work in that connection, there is an attempt to co-operate with the national employment service in helping to find work for older veterans. These are mainly veterans of world war I whose average age is now 61 years. There is the utmost desire on the part of these older veterans to continue just as long as they possibly can. Unfortunately there are a number of veterans, not many—about one per cent—who have never become re-established during the thirty years after the war and yet have been able to keep their faith, their hope and their cheerful outlook on life.

The way we have gone about it is the establishment within this division of a small group, having smaller counterparts in the districts, which has been carrying on a good deal of discussion with employers in connection with this matter. I had the privilege myself of talking on this subject to the Canadian Manufacturers Association the other day in Toronto, and also at a number of other places. Valuable work is going on from day to day in seeking employment and breaking down the resistance of employers to putting these older men to work. They can give just as valuable service today as they could have given 20 or 25 years ago. I think that fact is becoming realized more and more.

During the three years that we have been concentrating on this matter the national employment service, with the help of ourselves and other agencies, have turned up 160,000 jobs into which these older veterans have been fitted. I hasten to state that those are not 160,000 permanent jobs as some of them would represent one, two or three jobs for the same man. We feel that this work is valuable, primarily for the good effect upon the veteran and, secondarily, for the saving it represents to the country. If many of these men did not obtain employment in this way they would become applicants for war veterans allowances.

In connection with the older veterans I should like to say a special word about the corps of commissionaires, and also to pay tribute to the public spirited men across Canada who are giving their time and effort free as members of the board of governors to make the corps the success it is. There are something like 5,000 older veterans registered in the corps. I saw 300 of them on parade the other day. At the right of the line were the old chaps of the South African war with their medals up, and the average age of the remainder would be at least sixty-one. The corps provides a place of service for men who have maintained their integrity, discipline and trustworthiness but who have no special skill and perhaps are not too strong physically. In the main their posts of supervision do not require manual work. It is valuable for its effect upon the men. It is useful for the employer because he does not have to worry about what employing older men will do to his pension or group insurance scheme. The corps takes care of all the normal security measures that would otherwise fall upon the employer. I thank my hon. friend for the opportunity of saying a word about older men entering into employment.

Mr. Harkness: As I understand it, the department maintains no placement officer in order to put older veterans in jobs. Is that not the situation?

Mr. Gregg: We do not turn down any opportunity to place them directly but normally we work through the excellent facilities provided by my colleague, the Minister of Labour. He has a special veterans officer who is the liaison man between the employment service and our own local offices. Consequently better results are obtained in that way than if we attempted to build up any kind of separate organization of our own.

Mr. Harkness: I was wondering what special efforts are made by the placement people in the Department of Labour in order to get the older men into jobs. I have hired a few men myself during the last two or three years. I have never seen any indication that any effort was made to place veterans rather than others. As a matter of fact there are certain indications at times that perhaps the reverse is the fact. What I am really trying to get at is what particular, definite and specific steps are taken to try to get these people into employment? It seems to me that efforts along that line are not as definite as they might be, that considerably more

effort might be made and a better organization provided in order to accomplish the purpose. That may not be the case but that is the way it has appeared to me through casually hiring men from time to time.

Mr. Herridge: Before the minister answers, I was about to rise to speak on the question of welfare officers coming under the jurisdiction of the Department of Labour. In my constituency there happens to be one such officer attached to the employment office in Trail and another at Nelson. They have done most effective and excellent work in looking for jobs for aged veterans. That has been the major employment of these two officers in the last fifteen months. While the Minister of Labour does not believe in psychology, I should like to say to him that his welfare officers' understanding of psychology has meant jobs. Therefore I think there is something to be said for psychology. The point I wish to make is that I am under the impression that the Department of Labour is not as enamoured of the value of these welfare officers as the Department of Veterans Affairs, or as a good many members who are interested in veterans. I understand in some cases they have been dropped, and that at the present time there is pressure to dispose of them. I urge the Minister of Veterans Affairs to use his influence for the retention of these men where they are needed and where they are doing a job. I know in my own constituency they are doing an unquestionably good job.

Mr. Mitchell: My hon. friend said something about psychology. I was one of nine children, and I thought my mother was a pretty fair psychologist. She was not the kind of psychologist that my hon. friend is talking about, but she raised the family and did not do a bad job. In the light of these new-fangled ideas, those who went before us did not do a bad job and they left a pretty decent heritage to the people of Canada based on simple things.

Referring to what my hon. friend said about the organization of the employment service, I think it has worked reasonably well. I have not the figures before me now but I would be glad to provide them when the estimates of my department are under consideration. We have laid special emphasis on the placement of returned soldiers and handicapped people. Comparing the results with the experiments in other places, I think we may well be proud of the people employed in the employment service of Canada.

It is a very difficult thing, but those of us who were in the first great war have some knowledge of the confusion that existed after the war. We are not taking all the credit for what has been done. We had the experience of the first great war and we acted on it in a big and broad way. When you consider that we moved over a million people from the fighting forces into gainful employment in less than six months, that is some indication of the efficiency of the organization. There is nothing perfect in this life. Anybody can play the horses after the race is run. I think with the co-operation of all sections of society in Canada we have done a reasonable job. Mind you, I also take the view, if I may say so, that I do not believe in a planned economy. The only place you can plan is in a penitentiary where everyone does as he is told, goes to bed and gets up on orders and wears the same clothes.

We possibly had more control over the movement of human beings during the war than at any time in the history of North America. I was convinced in my own mind that Canadians made good airmen, soldiers and sailors, but that they were free men and wanted to get back to private endeavour. If I wanted to do a thing in those days I used to make a speech that everybody understood. I said "Selective service is down the drain." There is no equivocation in a statement of that description. I think we can be thankful that the Canadian people took that advice. In peacetime if you have a decade of the state moving people around it is the easiest thing in the world to slip into the method of government direction that we see in other countries. If you do that in the formative stages of life I think any nation will live to regret it. I think the Canadian people used good common sense in the movement of our people out of the fighting forces into productive employment in industry, agriculture and commerce in its broadest sense.

Mr. Herridge: I should like to ask the Minister of Labour a question. Does he believe in assisting the employment of veterans by continuing so far as possible the use of veterans placement officers in his department?

Mr. Mitchell: Absolutely. I want to say that without any equivocation whatsoever.

Mr. Fulton: I should like to ask the minister what amount was spent last year under the equivalent item for travelling expenses, staff, for which he is asking $164,000 this year.

Mr. Gregg: The item of $164,000 for 1950-51 provides for the cost of travelling for the veterans welfare branch staff at head office and in the districts. Costs incurred for investigation, and reports in connection with applications for the benefits in connection with

war veterans allowances, and so on, represent a large proportion of the money required. The amount considered necessary for 1950-51 approximates that expended in 1949-50 owing to the fact that the level of travelling activity remains pretty steady.

Mr. Fulton: How much was spent last year actually?

Mr. Gregg: It was $108,500.

Mr. Fulton: And the minister is asking for $164,000 this year. Why is there that discrepancy?

Mr. Gregg: If the hon. member will cast his eye over the details in connection with war veterans allowances, particularly travelling and miscellaneous, he will note a very drastic reduction in many of those items, including that of travelling expenses. The reason for that is that during the year, for obvious reasons, we have transferred to welfare services many of the duties which formerly came under the war veterans allowance. So that there is this year some $54,000 travelling expense money going into the veterans welfare service that will not appear in the war veterans allowance grant.

Mr. Goode: I notice that the travelling expenses of applicants and recipients amount to $3,000 which was not covered by any amount in 1949-50. Can the minister explain that?

Mr. Gregg: In the other expenditures, such as hospitals and pensions, it will be noted that there is a large sum for veterans coming in to hospitals, including expenses and meals while they are there receiving examinations. Under the welfare division this year, even though there are not very many where the department needs to pay the expenses of veterans, there are some under this classification. So for the first time we have set up this amount, so as to keep those travelling expenses separate from the expenses of our own staff.

Mr. Fulton: I notice there is a considerable increase in the amount for professional and special services. What is the reason for the increase, and would the minister explain the services covered by this item?

Mr. Gregg: This constitutes medical examination, legal fees, social services and outside investigations. Again they reflect a transfer.

Mr. Fulton: From war veterans allowance?

Mr. Gregg: Yes.

Mr. Harkness: There is an amount of $15,000 for advertising and publicity. Last year it was $25,000. How much of the $25,000 was spent last year, and what has been the necessity for advertising and publicity in this branch of the department?

Mr. Gregg: Under this vote we spent only $3,500 last year. We asked for too much. This year the estimate has been set at $15,000 for advertising and publicity expenditures related to the question mentioned by the hon. member a while ago. We do plan a modest advertising campaign on behalf of older veterans. Then there is the necessity for carrying out some advertising in connection with disabled veterans, or any other phase of the veterans welfare work. It also provides for general advertising when changes in regulations affecting rehabilitation benefits are made. Therefore we set the figure at $15,000 this year.

Mr. Harkness: What form would this advertising or publicity take?

Mr. Gregg: Largely in veterans publications.

Mr. Harkness: Would that be by way of advertisement?

Mr. Gregg: Yes, display advertising in veterans publications, and occasionally in other appropriate journals.

Mr. Gillis: Is the program of vocational training still being carried on under the veterans welfare service?

Mr. Gregg: That matter could be discussed under item 555, I suggest.

Item agreed to.

531. Treatment services, $34,389,177.

Mr. Green: Can the minister tell us whether the department is now in a position to provide medical care and treatment for the widows of veterans receiving war veterans allowance? They have been asking for some time that they be given that privilege. Hitherto the minister has not been able to arrange for them to get hospitalization. Apparently now, however, departmental hospitals are not as busy as they were formerly. That of course is evidenced by the fact that hospitals are being thrown open to all veterans who would not ordinarily be eligible, provided they pay their way. So it seems that there is now more accommodation available, and I am wondering whether it would not be possible to provide that these widows, who are commonly known as non-pensioned widows, might have that hospital treatment.

Then, in British Columbia we have a hospital insurance scheme. Under that scheme a veteran is compelled to pay the insurance premium to the provincial government, unless

he is eligible for treatment as a pensioner. In any event many of the recipients of war veterans allowances are billed for these provincial insurance premiums. It is not a great deal of money, but for them every dollar counts.

There has been a good deal of concern about this situation. Has the minister's department taken any steps to make some arrangement with the provincial government hospital insurance authorities so that veterans either will not be billed for provincial insurance premiums or will be covered by the federal hospitalization scheme?

Mr. Gregg: I take it that the hon. member refers to the wives of veterans. I understand recipients of veterans allowances are exempted. The veterans themselves are exempt from payment to the provincial hospital plan.

Mr. Green: No, not unless it has been done this year.

Mr. Gregg: I know to my certain knowledge that there has been discussion between my department and the provincial government towards that end. With regard to widows generally, I do not need to repeat of course, because my hon. friend knows it better than I do, that these benefits accruing to the veterans provide subsidiary benefits to wives and widows, but only through the veteran. They were not to apply to the widows he mentioned, or in fact to the widows of those who were killed in action or the widows of pensioners.

On the point made by the hon. member about our hospitals being less busy than they were, and the 12-D patients being accepted, the hospitals are equipped to accept men veterans in the main, but also women veterans to a limited number. Physically speaking therefore, apart from other considerations, it would be difficult to adapt our hospitals at this time for that purpose.

Mr. Lennard: Several years ago the Department of Veterans Affairs issued orders which enabled optometrists to be employed on hospital staffs. The intimation went out at that time that one or more would be allotted to these staffs permanently. About a year ago I put a question on the order paper asking how many optometrists had been employed by the Department of Veterans Affairs since January, 1948. The answer said that there were 277 on a fee for services basis. I am quite aware of the reason why no optometrists were permanently appointed to the hospital staff. I feel it is due to professional jealousy. The ophthalmologists have full control of the situation and are jealous of their position. They have prevented the department, if the department ever did wish to make an appointment, from fulfilling its promise to the Canadian Society of Optometrists. Several years ago a promise was made that the optometrists would receive consideration, but that was never done.

From my own experience there is no better man to care for the eyes than a man who specializes in that work. From my own experience, and my experience with service clubs in that connection, I can say that better results have been obtained by having children treated by optometrists than through other branches of the professional service. I feel rather strongly about that because I know the reason, and I believe the minister has some idea about it. I believe it is something that should be corrected.

Mr. Gregg: Mr. Chairman, before my estimates are through I shall be glad to bring in a statement on this subject, and I hope it will not be tinged by professional jealousy. With regard to the answer to the question last year, I would point out that we have adopted a policy relating to professional men generally, doctors and so on, that there are not many full-time doctors employed in our hospitals. The main principle behind it is the desire that these well-trained professional men should be kept in touch with what is going on in the outside world, and in the profession generally, and thus bring to the hospital the best that can be obtained. It may be that, owing to that policy with regard to men in medicine, these professional men have only been employed part-time. I shall bring in a proper statement later.

Mr. Lennard: It may be well for the minister, when he makes that statement, to ascertain whether there are any full-time ophthalmologists employed by the department.

Mr. Fulton: May I ask the minister where we find that position of director of treatment services? I notice it is not in the detail here, and I cannot find it under departmental administration.

Mr. Gregg: I am told the reason is that the director is a term appointment, and consequently is blanketed in the non-permanent list.

Mr. Fulton: What was spent last year for materials and supplies, for which the minister is asking about $6,500,000 this year?

Mr. Gregg: Last year we spent $6,384,000.

Mr. Harkness: Mr. Chairman, this is a branch of the department in which the number of temporary employees compared with the permanents is particularly high. There are 9,328 temporary employees, and 985 permanent employees. In other words, there is a proportion of about 10 to one. Can the minister tell us in general terms what sort of job those 9,000 people do that they are all

temporary after this length of time? Why is there such a large number of them in that category?

Mr. Gregg: Apart from a comparatively small group who work in the office, the remainder comprise those who serve in the thirty odd hospitals across the country, doctors and nurses under term employment. Only a few are permanent civil servants; the great number of them are temporary employees, orderlies, drivers, kitchen help and so on.

Mr. Harkness: Do I understand that these people are going to remain temporary employees, or the great majority of them, most of your doctors, nurses, kitchen orderlies, cooks, drivers and so forth?

Mr. Gregg: As I said a short time ago the doctors are, in the main, on a part-time basis. The nursing sisters are what we call term appointments. They are appointed for a period of time which may be renewed. I think it is fair to state that a large proportion of the non-professional assistance in a hospital will remain temporary, but I think some positions may become permanent.

Mr. Harkness: What is the reason for that? If a person is there as a cook, and there are cooks on the permanent list, what is the idea behind keeping these people on a temporary basis?

Mr. Gregg: Mr. Chairman, the whole hospital organization, as my hon. friend well knows, because it applies to what he said last night about construction, is only about four years old. Most of the construction and development programs for hospitals started after the war. I think the reason why so many are temporary, that is the serving staff, the cooks and so on, is that the superintendent has not yet made up his mind whether he would like to have the person as a permanent employee. He would like to try some out a little bit longer.

Mr. Harkness: The general effect of the estimates being in this form, and all of these people not being permanent, is that 90 per cent of the people employed all come under one item. The other employees are listed. We find there are 49 hospital nurses grade 3; 87 cleaners and helpers; so many hospital cooks grades 5, 4, 3 and 2; but 90 per cent of the employees in this particular branch are found in one item, and one does not know what they are. You have no idea what the break-down is or anything else. It does not seem to me that it makes for the best provision for examining estimates when they are in that form.

Mr. Fulton: Will the minister tell me what was spent in "travelling expenses, patients and escorts," last year.

[Mr. Harkness.]

Mr. Gregg: $336,000.

Mr. Fulton: What is the meaning of the item, "loss of wages, patients and escorts?"

Mr. Gregg: As far as the pensioner patient is concerned, if he were employed and called in for examination, he is recouped for the loss of wages on the day or days that he might be in.

Mr. Harkness: This item of medical education research, $300,000, is, I know, a new item. What is the purpose of that? What sort of medical education is going to be carried on? What kind of research?

Mr. Gregg: I wonder if my hon. friend would permit me to bring in a statement on that matter later. I should be glad to do so.

Mr. Harkness: Very well.

Mr. Fulton: I have one other question. What is the amount that was spent last year for light and power?

Mr. Gregg: The total for all our institutions was $284,000.

Mr. Harkness: There is another item here, "Less:-Amount recoverable for treatment of patients not the responsibility of the departments, etc." I wonder if the minister would tell us how much was received. Last year it was estimated that $1,500,000 would be secured. I should like the minister to tell us just how much they actually received under that item, and what proportion of this money it is estimated will come from veterans who are able to pay and who are taken into veterans hospitals for treatment on a paying basis; also where the rest of it comes from.

Mr. Gregg: The amount recovered last year was $2,568,000 instead of $1,500,000.

Mr. Harkness: A million more than you estimated?

Mr. Gregg: Yes. As was pointed out last year on my estimates, most of this money comes from other government departments, mainly the Department of National Defence and the R.C.M.P. Very few, unless it is a case of emergency, in the past year have come from individual veterans. During this year of course there will be the revenue from the 12-D class.

Mr. Harkness: What about this matter of the amount? Is there any amount in there which it is estimated you are going to recover from veterans who are in hospitals on a paying basis?

Mr. Gregg: No. The amount we have estimated here, $2,450,000, is the amount we anticipate from the comparable sources of revenue last year. There may be some adjustment in that in the supplementary

estimates. The revenue forthcoming from patients under 12-D will vary that. What I mean is that we have not made any estimate for that in this particular item.

Mr. Harkness: Does that mean that you do not expect to get any?

Mr. Gregg: We expect to get some, but it was overlooked at the time these estimates were being prepared last fall.

Mr. Harkness: Having regard to last year's financial picture, has any been taken in up to the end of the financial year in March of this year?

Mr. Gregg: No. 12-D just came into effect on April 1, 1950, and those estimates were prepared last October and November.

Mr. Fulton: Will the minister tell me whether, under professional and special services, there is included an amount to cover the costs of veterans who are the responsibility of the department but who are being treated in other than veterans hospitals?

Mr. Gregg: Yes.

Mr. Fulton: Has the minister the figures for the number of veterans who are being treated in other than veterans hospitals?

Mr. Gregg: As at April 30, 1950, at other institutions we have a total of 1,824 patients.

Mr. Fulton: Is there a standard daily rate paid to these other hospitals for those veterans, or does it vary from institution to institution?

Mr. Gregg: No. They are each subject to contract. As my hon. friend knows, the rates of civilian hospitals across Canada vary; and our contracts have to correspond with the existing rates.

Mr. Fulton: Does the department make a special rate with each hospital or does it pay the standard rate of that hospital or do you try to do the best you can?

Mr. Gregg: That is true, yes.

Mr. Fulton: I am sorry, but which is it? I put the question in the form of two questions. Which is the case? I asked the question in a confusing manner. I ask the minister to clear up what I asked.

An hon. Member: To make up your mind for you.

Mr. Gregg: We negotiate with each hospital for the rate we will pay for the veterans that we send to that hospital. That rate is based upon their prevailing rate.

Mr. Fulton: How are those hospitals selected? Let us take, for instance, British Columbia, where there are veterans hospitals only in Vancouver and Victoria, I believe. How do you make the selection of what other hospitals veterans will be admitted to?

Mr. Gregg: Again I should like to get advice on that subject; but generally speaking, there are various yardsticks. Let us take, for instance, one outstanding example which is Newfoundland. We have not any D.V.A. hospitals there so we are carrying on on a per diem basis with the hospitals that exist. Then in certain provinces, for special diseases, the provincial or other hospitals may be specially equipped for the necessary treatment.

Mr. Goode: After waiting for an hour, Mr. Chairman, and with the permission of the hon. member for Calgary East, I should like to ask the minister a question.

An hon. Member: Oh, oh.

Mr. Lennard: With the permission of the Chairman, you mean.

Mr. Goode: I made my statement. You make yours.

Mr. Lennard: I just did that.

Mr. Goode: There are two items about which I should like to ask the minister. One is for $55,000 with regard to Canadian Red Cross Society and another of $300,000 with regard to medical education and research. Can the minister make a short statement?

Mr. Gregg: The research item is a very special one. This is the first time it has appeared. I would like to suggest that I bring in a statement on it on another item. On the Canadian Red Cross Society, $55,000, that is an item which covers our obligations or our share of half the cost incurred by the Red Cross in providing the handicraft work and the great variety of diversional and therapy activities which are provided by the Red Cross to the patients. Then of course in addition to that, which is not included in this at all, is a series of excellent Red Cross hostelries which are built in association with many of our hospitals where patients and wives and parents can come and spend a few days.

Mr. Green: Three weeks ago there was a press dispatch to the effect that the department had instructed Colonel John Crawford to make an investigation into the difficulties that had arisen with regard to the hospitalization of Canadians who were prisoners of war in Japan. I took it from those dispatches that those unfortunate young Canadians are not recovering from their treatment in Japan as quickly as had been expected. Can the minister tell us just what the situation is with regard to these veterans?

Mr. Gregg: Yes, Mr. Chairman. Both the department—and particularly the medical phase of the department—and the Canadian pension commission have taken a very keen interest in these men ever since their return to Canada. It was requested at that time that special attention be paid to learn of conditions which had come about because of their service and to have special medical examinations carried out. After discharge each case was followed up and re-examinations were carried out at regular intervals of all who would co-operate or who could be located.

During the past year I authorized a special medical review of all cases under one medical adviser specially selected for that purpose. This officer was recommended to me by the medical people themselves and is Colonel John Crawford who was senior medical officer of the Hong Kong force and who was himself of course a prisoner.

In this study he has access to all reports available to us, and he has the co-operation of outstanding specialists. The Canadian pension commission has conducted a constant review of all cases and has not hesitated to concede entitlement. They pass up no opportunity of finding out if the physical incapacity may be attributable to experiences during the imprisonment.

The total number of survivors of the Hong Kong force is now, or was at the last check, 1,415. Of these, over 1,000 are in receipt of pensions, with approximately 200 more with entitlement to treatment for disability. I would like the committee to know that the utmost attention is being given to the care of these Hong Kong veterans. I would like hon. members to know too, so that any evidence of hardship that may come to the attention of any hon. member of the house might be passed on to me. I do that because I think it is important to all of us to discourage any expressions of pity on behalf of these men, which is the last thing they want, and which their leaders tell me does not help at all in the recovery from the difficulties or the disabilities they have owing to their imprisonment.

I would like to assure my hon. friend and the committee that under this item the treatment services and the pension commission are giving special attention to these men. If we can find them, as we can in practically every case when they are willing, we try to have them in at regular intervals whether they apply for it or not.

Mr. Green: Did the minister say that over 1,000 out of 1,415 are drawing pension?

Mr. Gregg: Correct.

[Mr. Green.]

Mr. Green: And that another 200 are entitled to treatment because of war disabilities?

Mr. Gregg: That is true.

Mr. Green: There are only about 200 who are not disabled at the present time?

Mr. Gregg: And they are being carefully watched.

Item agreed to.

Canadian pension commission—

533. Administration expenses, $2,132,824.

Mr. Fulton: This is an item for the administration of the Canadian pension commission. Can the minister tell us what was actually spent last year on travelling expenses of the staff?

Mr. Gregg: Last year the travelling expenses of the staff were $85,300. When I say "staff", of course I mean the most important item is the review board which travels extensively. Frankly I am glad to see the chairman of the pension commission encourage extensive travelling because I feel it is very important that these boards should get out, as the hon. member for Kootenay West said last year, and raise the flag even at some of the subsidiary centres as well as in the main city in the province. This year under this item we are asking for $90,000. This amount covers the cost of travelling for the commission staff at head office and the districts. During 1949-50 approximately $85,000 was expended for this purpose. A large portion of the expenditure is incurred by the review boards which traverse the country and consider pension appeal cases. The anticipated increase in their work necessitates a slight increase in the amount required for the new fiscal year.

Mr. Fulton: I am not being immediately critical. I notice, for instance, there are 73 medical officers on the commission, according to my calculation of the breakdown. I do not imagine that is in any way too many. But then there is a very heavy item for professional and special services in addition. It amounts to $100,000 this year, and was $115,000 last year. It just strikes me that perhaps one is justified in making some inquiry as to the reason why such a substantial amount is necessary when there are after all quite a fair number of medical officers with the pension commission itself.

Mr. Gregg: That in the main comprises outside specialists' reports.

Mr. Fulton: How would that arise? Does the commission itself want to submit the case for outside help?

Mr. Gregg: That is correct.

Mr. Fulton: Would the expense of an applicant in getting an opinion be covered in this item?

Mr. Gregg: No; that would come under travelling expenses. I beg your pardon; you mean the applicant getting his own opinion?

Mr. Fulton: Yes.

Mr. Gregg: If the commission authorized repayment of the applicant's independent examination that would come under this item.

Item agreed to.

534. Veterans bureau, $436,791.

Mr. Fulton: Six o'clock.

Item stands.

Progress reported.

NATIONAL DEFENCE

Third report of special committee on Bill No. 133, respecting national defence.—Mr. Campney.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

CRIMINAL CODE

AMENDMENT TO PROVIDE FOR ABOLITION OF CAPITAL PUNISHMENT

The house resumed, from Friday, April 28, consideration of the motion of Mr. Thatcher for the second reading of Bill No. 2, to amend the Criminal Code (capital punishment).

Hon. Hugues Lapointe (Solicitor General): Mr. Speaker, the bill now before the house provides for the abolition of capital punishment in Canada. As hon. members know, this question has been debated in this house many times. The death penalty is as old as human society, but in recent generations sociologists have been exploring the possibility of substituting some other still effective but less drastic means of punishment than that of taking the offender's life. In support of the measure which he has introduced the hon. member for Moose Jaw (Mr. Thatcher) repeated the classical observations which have so often prompted leaders of social reform to advocate the abolition of capital punishment and its replacement with some form of deterrence which they submit would be more in keeping with modern trends of the utmost humane treatment of convicts.

I think the hon. member should be congratulated on the sincerity of purpose which he so effectively and eloquently displayed when presenting his bill a few weeks ago, but I hope that his arguments in favour of the abolition of capital punishment in Canada will not be found sufficiently convincing by hon. members to warrant them in favouring a change in the law as it now stands.

I have no intention of burdening the house with the religious and historical arguments which have been expounded so well in the course of previous debates on this question. Although the hon. member for Moose Jaw claimed that he could not profess to be a biblical authority, he based his first argument on the commandment, "Thou shalt not kill", which was given by the Lord to Moses and which is to be found in the first pages of the Old Testament. I do not profess to be a biblical authority either, but I think the hon. member might have remembered that the bible should be taken as a whole. If he had pursued the reading of this holy book a little further he would have found that the same One who commanded not to kill also directed that certain crimes should be punished by death.

The hon. member objects to capital punishment, and particularly to hanging, as the law provides in Canada, because of the brutality of the actual execution. He quoted the evidence of witnesses who had appeared before a special committee of this house which was set up in 1937. As I recall from reading the proceedings of that committee, it was set up for the express purpose of determining whether another form of capital punishment than hanging would be more humane and whether another form of capital punishment would prove to be a greater deterrent to the commission of murder.

That committee was comprised of members from both sides of the house and it recommended that no change should be made in the law as it stood. In support of his argument as to the brutality of hanging, the hon. member for Moose Jaw recently quoted from the evidence given by a deputy sheriff of Toronto who had assisted in a number of hangings and who testified that the actual time elapsing between the springing of the trap and death was fourteen minutes and seven seconds. The hon. member should have analysed that evidence more carefully. If he had, I believe he would have found that what that witness really was referring to was the time between the execution and the moment when the doctor, who was a witness to the execution, declared that death had

taken place. That is a matter completely different from the question of consciousness and suffering in the ordeal of hanging.

I believe a substantial summary of a few outstanding points relating to the intrinsic merits of this problem should be given to the house not only for the sake of brevity but for the advantages to be derived from a concise marshalling of the main facts and considerations bearing upon the issue. For instance, our statistics reveal that out of a population of nearly fourteen million people there is a yearly average of only ten individuals who suffer the supreme penalty under the present statutory provision which the hon. member now invites the house to abolish. Each one of these ten men stands convicted of murder after trial by a jury, usually after an appeal heard by the supreme court of his province, and in many cases after an appeal heard by the supreme court of the country.

Furthermore, the condemned murderer who goes to the gallows is one who has been refused a commutation of sentence. He is usually a man who took the life of his fellow citizen for the purpose of gain, or for some other sordid motive, after having planned his crime and carried it to completion with determination and often with very great cunning. Frequently he has a long criminal record and is the type of person to whom people refer as a bad man. I should like to give the house the thought expressed on this subject in 1924 by one who had been solicitor general of the country, the Right Hon. Arthur Meighen. I believe he expressed very concisely and adequately what the situation is in Canada regarding the criminal who is actually executed. These are the words of the Right Hon. Arthur Meighen, as recorded at page 1294 of *Hansard* for April 11, 1924:

> But after the jury's verdict and the sentence there is vested in the Department of Justice a power of review—

I might interject that this power is now vested in the Solicitor General.

> —and it is only a fair statement of the practice to say that any circumstances that go to show the lack of appreciation, the mental inferiority of the accused, even far removed from actual insanity, or other circumstances of a strongly mitigating character, operate to relieve the victim from the extreme penalty. So that we are left in the position, in the actual practice of our law, that the most atrocious cold-blooded instances alone are followed through to capital punishment.

In other words, Mr. Speaker, the type of murderer who is executed in Canada is usually a vicious cold-blooded killer, the worst of the lot. I should like to make it clear that in this country the actual infliction of the death penalty is in practice reserved for the worst type of assassin, the man who kills with full knowledge of his deed, having carefully planned and premeditated his crime which he usually commits for some very selfish or sordid motive. I think we all agree that all citizens are entitled to effective protection, and the law accordingly provides recourse against the criminal aggressor. The common good of all, I believe, is a sound basis for state action and punishment of the criminal in keeping with the nature and the gravity of his crime.

The struggle of society to maintain order is an immense problem involving rights and responsibilities on the part of the state as well as on the part of the individual. With the development of the community the state has become the keeper of the public peace, and has the power to control the activities of members of society so that all may live in harmony as exemplified in the legislation which permits the exacting of the extreme penalty when the crime has been the commission of murder. Thus each and every one of the citizens of our country is entitled to have his life and his goods protected against wanton aggression. When the assassin is convicted of murder the law ordains his death for the protection of all against him and against those others who might be tempted to follow his example. The legislative enactment is intended to promote security, order and harmony in society so that it may function to attain its ends.

One of its most important aims is to guarantee the lives of its citizens. The desire to live is natural, and it is the clear duty of society to inspire the would-be assassin with due respect for the sanctity of human life. Nor, Mr. Speaker, is the death penalty imposed by our law a disproportionate punishment. Suppression of the convicted murderer is in order as he has become a threat to the lives of others and because appropriate punishment must serve as a deterrent to those who would likewise commit murder. There are excellent reasons for the state to dispose of the life of the convicted murderer in keeping with the statutory requirements of the law. I have already mentioned the necessity to provide a really effective and adequate deterrent which will give the maximum assistance in preventing the vicious and cold-blooded murderer from slaughtering his fellow man. Does capital punishment as we know it in Canada—because after all this bill would have the effect of taking away capital punishment in Canada—provide that much needed deterrent to committing the crimes of murder, treason or rape for which the extreme penalty is provided?

I take it, Mr. Speaker, that we all agree that in drafting laws for the benefit of the Canadian people we necessarily take into account Canadian conditions as we find them. Our vast expanse of territory with its policing problems—and I can assure hon. members that there are many—our close proximity to large centres where major crime is reported to be rampant, make it necessary for the Canadian authorities to keep all criminals fully informed as to our reputation for justice, swift and sure, and for stern measures in the enforcement of law and order.

I say that our reputation as such has a deterrent effect, and I base this assertion on the numerous testimonials which we in this department, and others connected with the administration of justice, receive from authorities who are charged with similar responsibilities in the country to the south of us. They are all unanimous in saying that the reputation this country enjoys for swift and sure justice, and for strict application of the law, has a deterrent effect on the criminal element in their country, and prevents them from crossing the border to commit crime in Canada.

I say also that the efficiency of our police agencies has the same deterrent effect, and so has the attitude of the Canadian public, whose education for generations allows no patience with those who commit major crime. I should also mention that, generally speaking, the press of Canada shows no such tendency as unfortunately is found elsewhere, to encourage hero worship of the gangster type of criminal.

It is stated by the opponents of capital punishment that this method of punishment has never had the effect of diminishing the incidence of murder in any country. I maintain that leniency to the murderer, to the point of exempting him from the fate which he so cruelly inflicts upon his fellow man, has not proven its effectiveness in preventing crime. On the contrary let me emphasize the fact that the frequency of murder in Canada appears to be at a remarkably low figure. Indeed, if the number of arrests, convictions and executions for murder in Canada is compared with similar data elsewhere, and may serve as an indication, we find our statistics covering the past ten years show the rate of execution, with a population of approximately fourteen million, to average about ten per annum. It seems that the fate of the killer who eventually goes to the gallows has provided Canadian authorities with an extremely effective means of coping with the incidence of such major crime. Our very low rate of actual executions, which stands at one person per million and a half of population, seems to be outstanding proof of the efficiency of our present system of capital punishment.

I say this with some reserve because I believe that in analysing such a question it is not sufficient to base one's argument purely on statistics. There are so many factors which have an extremely important effect on the rate of murder in any country that statistics alone are not sufficient to prove the efficiency or inefficiency of capital punishment. However, I give these figures for what they are worth—and they certainly do indicate a very low incidence of murder in Canada.

All capital cases pass through the clemency records of my department. I have here a table which was compiled recently and which gives the number of cases brought to court between 1939 and 1948. This table shows the number of cases in this country during those ten years to be 179. Of these there were 89 executions; 46 were disposed of through commutation of sentences and 44 were eliminated by courts of appeal.

While we are on the subject of statistics, and since the hon. member for Moose Jaw quoted profusely from statistics a few weeks ago, I should like to ask him to compare the figures I have just given with those of the six states in the country to the south of us where capital punishment is still abolished. Incidentally I might remark that twenty-five years ago, I believe, there were fifteen states where capital punishment had been abolished. It has been re-established in seven or eight of them. In one it was re-established following a referendum where the people themselves asked for the re-establishment of capital punishment.

These six states were Maine, Michigan, Minnesota, North Dakota, Rhode Island and Wisconsin. We find that in 1946, the year for which I have the figures, the population of those states was 13,388,500. At that time the population of Canada was estimated at 12,307,000. Although I have never had the privilege of visiting these states, I understand they represent a cross-section of the United States, closely resembling that of Canada.

During that year the total number of convictions in those states stood at 65, showing an incidence of 4·85 convictions per million of population, whereas in Canada the figure was 22, showing a rate of 1·78 per million of people. I believe the testimonials I mentioned a little earlier, and these figures—if one is to base his conclusion on statistics—do not point to Canada as a proper testing or experimental ground for the so-called

humanitarian trends which would be served by the adoption of this bill. I do not believe we are justified in altering our traditional outlook towards this question. I say, why change our law when capital punishment appears to have proven itself most effective in deterring the criminal, or should we say the "potential criminal", from his depredations? The knowledge that execution, the rope, usually awaits the murderer in Canada provides him with a most salutary train of thought.

I know that during the course of his remarks the hon. member for Moose Jaw asked whether anyone could provide him with evidence that hanging had ever kept a murderer from committing his crime. That is rather difficult to establish, but I think if my hon. friend had read more closely the evidence adduced before that committee of the House of Commons which sat in 1937 he would have found evidence given by experts who have had actual contact with criminals in jails and penitentiaries. They testified these criminals openly admitted that, in many cases, what had kept them from committing murder was the fact they knew that if caught they would be hanged. That is in the evidence if my hon. friend wishes to look for it. I say, the longer the preparation for crime, the better chance the criminal has of pondering the consequences and of desisting from his criminal pursuit. This may mean saving the lives of innocent people who do not deserve to be killed; people who are entitled to protection; people to whom our sympathy should go, rather than the criminal. We have no real scientific data or statistics to establish even the approximate number of those who are deterred from the commission of murder, and those whose lives are spared by this deterrent. I doubt, Mr. Speaker, that we should take a chance.

Can we ignore the fact that the strongest instinct of man is that of survival, self-preservation? When all other moral forces have failed should we not, if necessary, inspire fear if it is to deter the assassin? In that respect I am sure that a great majority of the members in this house who have had the opportunity of serving in the armed forces of this country, and who in common with hundreds of thousands of other Canadians have had to face arduous and tense situations, will agree with me that, in spite of all the arguments that can be brought forward, in spite of all the so-called scientific developments in the sphere of mental sciences and other considerations of the kind, the instinct of self-preservation is strong and still remains in even the most hardened criminal. Should we remove this barrier

[Mr. Lapointe.]

of protection our citizens now enjoy to achieve what I consider to be the rather questionable reform proposed by this bill? Should we be remiss in the discharge of our sacred duty towards all Canadians, merely to gratify a sense of humanitarianism towards the most anti-social of all criminals, the traitor, the murderer and the rapist?

From what little experience I have had in dealing with these cases, it is in my view impossible for the bandit planning a crime and contemplating the possibility of murder, not to measure the consequences of his act. I believe he must be very callous indeed to persist in his recklessness. As I said, no one knows how many are deterred by the thought of the rope, the gallows, the drop into eternity. Undoubtedly a few are not deterred. They are the hopeless, the reckless, the desperate few who deliberately take a horrible chance in order to gratify their selfish ends. I am not one of those who will make the way of those desperate few more easy. Those who are responsible for the protection of society, whatever their personal feelings in this matter, in my opinion will be driven to the conclusion that in alleviating the extreme penalty now provided by the law they might assist—and I think that would be sufficient—in multiplying the incidence of murder. They would, thereby, be letting down the people who are surely entitled to the protection of their lives.

I believe, because of this situation in Canada, because of what I have described here tonight, it is our duty to maintain capital punishment no matter how distasteful it may be to take the life of a human being. The execution of the assassin who kills his victim wilfully, and with malice aforethought, is the most effective means we know of at the moment to protect our Canadian people against wanton aggression.

Mr. A. L. Smith (Calgary West): Mr. Speaker, I speak tonight, and I hope the expression I use will not be misinterpreted, as a firm believer in capital punishment for murder. I go even farther and say that I am a firm believer in hanging as the method of extermination, and I use that word advisedly, of a murderer. I do not approach this subject so much in the way of sentiment or even of, what shall I call it, exaggerated ethics about the sacred regard we all have, and which our law has, for human life. I know that in this debate the bible has been quoted. We have heard the commandment, "Thou shalt not kill." It seems to me that that commandment has an equal application to the murderer as he kills his victims as it has to the law of this land in seeing to it that capital punishment is meted out to him. But if there

be any question, I am going to quote from the bible, Leviticus, chapter 24, and I begin with verse 15:

15. And thou shalt speak unto the children of Israel, saying, Whosoever curseth his God shall bear his sin.

16. And he that blasphemeth the name of the Lord, he shall surely be put to death, and all the congregation shall certainly stone him: as well the stranger, as he that is born in the land, when he blasphemeth the name of the Lord, shall be put to death.

17. And he that killeth any man shall surely be put to death.

18. And he that killeth a beast shall make it good; beast for beast.

19. And if a man cause a blemish in his neighbour; as he hath done, so shall it be done to him;

20. Breach for breach, eye for eye, tooth for tooth: as he hath caused a blemish in a man, so shall it be done to him again.

21. And he that killeth a beast, he shall restore it: and he that killeth a man, he shall be put to death.

In the argument that I am making before the house I am not relying on those scriptural commandments in the old testament. I am looking at it, I think and I hope, from a more practical point of view. It is unfortunate perhaps but in fourteen years acting as a crown prosecutor I had the terrible responsibility—and it is that—of calling the evidence which hanged quite a number of people. The most that one acting for the crown can do is to see that the individual is well defended. In our courts, Mr. Speaker, that is always done. Irrespective of what you hear about money and all that nonsense, that is always well done. When I hear many people—and there are many of them, and no one can disregard their views—telling us what a cruel thing capital punishment is, my mind always goes back to the man or woman who is dead, without warning, from a bullet, a knife or something of that kind. When I see the man who deliberately committed the act—and we do not hang people unless the act is deliberately done—and when I see all the sob sisters gathering about and telling us that we should reform this fellow, that his crime is the result of certain faults in society, as far as I am concerned that is absolute and complete rot. As far as I am concerned, he is a killer, a murderer, doing it deliberately, and he will pay with his own life. If he lives to be one hundred years old, there is nothing else in God's world that he will ever understand.

Let us take a look at things across the line in the states in which they have not capital punishment. Let us take the reports of the parole boards over there. What do we find? Men sentenced to terms of imprisonment, for life most of the time. The reports of the parole boards are to the effect that a killer, once paroled over there, ninety per cent of the time goes out and kills somebody else.

I am conscious of the great work done by the various cabinets that we have had in the Dominion of Canada. My memory goes back to the time when Arthur Meighen, quoted by the Solicitor General (Mr. Lapointe), was himself Solicitor General. I remember long talks I had with him at that time. I know this was true then and I think it is true now. In this country no death sentence is carried out unless the Minister of Justice has read every word of evidence given at the trial. No man is hanged unless the Minister of Justice makes a report to the cabinet; and the cabinet itself has the last word on commutation. That was true then and I think it is true at the present time. The Solicitor General nods his head.

Mr. Lapointe: The Solicitor General is the one who reads the evidence.

Mr. Smith (Calgary West): The Solicitor General reads every word of the evidence. I made a mistake. I said it was the Minister of Justice. Coming down to the practical thing, no one is hanged in this country except by the verdict of a jury of his peers. I confess that a judge, on an election, is empowered to try a murder case alone and without a jury; but as a matter of fact that is never done. The accused, then, has had that trial and the appeals, with all the advantages that we who are defending can give him; and I have defended a number, some of them unsuccessfully, I may say. After all that is through, then it comes down here, and we hear a lot of petitions for commutation of the sentence. I remember extremely well one case in which I defended a man. The petition was signed only by myself. Commutation was granted. I say these things with great pride in our administration of justice not only in our courts but—and I hate this word "level"—at the cabinet level. I mention these things to show the care which is taken before any man's life is forfeited on the gallows. As the Solicitor General has so truly said, it is almost impossible to get statistics as to how many people have been deterred from committing murder because of the death penalty by hanging in Canada. I realize that probably there can be no worth-while statistics of that kind. But may I add this with regard to many of these amateur crime investigators who gather statistics. You can make statistics out of almost anything. I have talked to a number of people engaged in crime. I remember so well some safe-blowers. A friend of mine was the most expert safe-blower that ever got into western Canada. He was a pal, and he knew how to do it. I asked him if

he was not afraid when he blew his safe that he might kill some people who were innocently in a neighbouring office, or something of that kind. He was not greatly concerned about that. He said: "Art Smith, there are a lot of amateurs blowing safes these days." He said: "They may kill somebody, but I never would." He showed me how he blew his safe. He built a little cup with soap, he poured in the nitroglycerine, and he knew how much to put in. He could blow a safe with just a little puff and the door was open. He said: "I am not concerned about it." He said: "You have got to stand up some day and sentence some of these amateurs to be hanged because they did not know how to handle nitroglycerine," but he had it in his mind. I talked to quite a number of these chaps. You know, these people who commit crime are not all dumb. I have talked to a good many of them. I have pleaded with the Solicitor General for some of them. I have talked to even the present Solicitor General to exercise that mercy which I know is in his soul, but he is keeping it locked up pretty well these days, I do not mind telling you.

I know perfectly well that the fear, not of capital punishment, but of hanging is the greatest deterrent to serious crime in this country at the present time. I do not know how many of you have read the story by Mr. Duffy which has been running in six issues of the *Saturday Evening Post* recently. Mr. Duffy is the commandant of the San Quentin penitentiary in the United States. He uses most excellent arguments, from his standpoint, against capital punishment; but what has happened to him is obvious. There they have the gas chamber. The warden of the penitentiary must see each man. He must be present, looking through the window, when the gas is turned on below the chair on which the prisoner is strapped, and so on. It is so easy, Mr. Speaker, with the humanitarian feeling that is in all of us, to say: Well this other chap is killed. The state will look after the children. His widow has gone to work and has got a job. In cold blood now we just cannot execute this man. It is awfully easy to get yourself into that frame of mind and be honest with yourself in so doing.

I have not a word to say in criticism of anyone who is seeking to do away with capital punishment; certainly if we succeeded we would salve our conscience to a considerable extent. But I still firmly believe, Mr. Speaker, that hanging is the greatest deterrent that we know of. You want statistics? If you want testimony go to England. There was lots of it there in the old days. That is all changed now. Today murder has become with some people a fine art. It is true that today the English bobby for the first time in history is armed with a revolver or a gun of some kind. Why? You rarely heard of a shooting in England until recent years. Murders there were by knife, by club, by garrotte or something like that. But this revolver business is in fact the reason why that rule of the metropolitan police has been changed in the last few years.

I am not going to talk this bill out. I know that I leave myself open to criticism and well meant criticism and honest criticism. I know I can be accused of being cruel and all that sort of thing. It is not cruelty, sir, to take the life of a man when by so doing you save the lives of half a dozen others, as has been the history of the United States.

So far as I am concerned, I am in favour of capital punishment for wilful murderers. I am also in favour of death by hanging by the neck until you are dead, and may God have mercy on your soul. I have heard that often.

Mr. R. R. Knight (Saskatoon): It is obvious that if my colleague speaks now he will close the debate. Since he has expressed the wish to have an opportunity to attempt to refute the arguments which have been so well put before us by the hon. member for Calgary West (Mr. Smith) and the Solicitor General (Mr. Lapointe), I feel it is my duty upon his behalf to fill this gap.

I personally did not intend to take part in the general argument, but I am intrigued somewhat from an academic point of view by the scripture arguments of the Solicitor General, when he told my colleague that there was another book and another argument in scripture that could be read I am quite sure that he was referring to the famous one, "An eye for an eye and a tooth for a tooth."

Mr. Lapointe: The one that the hon. member for Calgary West quoted to you.

Mr. Knight: My curiosity at any rate was sufficiently aroused to cause me to send for a copy of the bible. There must be two copies since the hon. member for Calgary West has one, unless it is a private one of his own.

Mr. Smith (Calgary West): Even I recognize the bible when I see it.

Mr. Knight: Exodus, chapter 21, verses 23 to 25 read:

> 23 And if any mischief follow, then thou shalt give life for life,
>
> 24 Eye for eye, tooth for tooth, hand for hand, foot for foot,
>
> 25 Burning for burning, wound for wound, stripe for stripe.

Obviously these are the passages to which my hon. friend refers.

Mr. Lapointe: No, that is not the one.

Mr. Knight: To finish the quotation I shall now turn to the words of our Lord in Matthew 5, verses 38 and 39, because, after all, what I have read you surely can be admitted to be a barbaric and out-dated document. The scripture of the New Testament is this, where the Saviour said:

38. Ye have heard that it hath been said, An eye for an eye, and a tooth for a tooth:

39. But I say unto you, That ye resist not evil: But whosoever shall smite thee on thy right cheek, turn to him the other also.

I would like at this time to elaborate it in accordance with my own views, but time is up and I shall resist it.

Mr. Lapointe: He who kills by the sword shall perish by the sword. Is that there also?

Mr. Speaker: The hour reserved for public and private bills having expired, the house will revert to the business which was interrupted at six o'clock.

SUPPLY

The house in committee of supply, Mr. Beaudoin in the chair.

DEPARTMENT OF VETERANS AFFAIRS

Canadian pension commission—

534. Veterans bureau, $436,791.

Mr. Gregg: I should like to try to fulfil a few of the promises that I made before dinner. I said that during the period that we had emphasized employment for older veterans during the last three or four years some 160,000 had been placed. A question was asked as to how many older veterans had been placed in the last fiscal year. During the last fiscal year through the co-operation of the national employment service and our own welfare officers upwards of 40,000 older veterans were placed in employment. Despite this fact during the same period there has been an increase of 3,000 in unplaced older veterans. Since February 1 of this year an active campaign has been carried on by the Legion branches in co-operation with other agencies to obtain jobs for these men. In the final analysis, of course, the placing of these men is a community responsibility and with the full co-operation of the community the problem will be solved. This work is being headed up by the veterans welfare service branch with Colonel Percy Philpott, himself a dual service veteran, directing the effort.

Then the question was asked as to what rate was charged the veterans under the 12-D repayment class. At the present time this rate is $8.65 for hospitalization which includes everything but the doctor's fee, which is arranged between the patient and the doctor.

Another question was with respect to medical education and research grants. Research projects that have to do with the better treatment of veterans are paid out of this grant. One example is the study of the disabilities of Hong Kong prisoners of war which may lead to new methods of treatment. Another example is the use of new drugs, such as cortisone, for various conditions to be found among veterans. Medical education refers to the special training of medical officers and technical staff to undertake special problems in the treatment of veterans. Since this is a new item we will be glad to report fully at the end of the year the results of the first year's experience.

Another question was asked with regard to optometrists. Many optometrists are employed on a schedule fee basis part time; no optometrists are employed full time. No ophthalmologists, or doctor specialists, are employed full time with the department. The non-employment of full-time ophthalmologists is in keeping with the general policy of treatment service for non-employment of full-time specialists, part-time specialists being employed in their stead.

Mr. Fulton: With respect to medical education and medical research, could the minister state whether anything will be recovered from the Department of National Health and Welfare and whether this work is being undertaken jointly with that department?

Mr. Gregg: There will be no refund. The effort is being carried out under the closest collaboration with the Department of National Health and Welfare.

Mr. White (Hastings-Peterborough): The minister stated that the rate charged the veteran was $8.65 per day. Is that the actual cost to the department or is there a profit on that charge?

Mr. Gregg: It is based upon our estimate of the actual average cost of operation of our hospitals across Canada, that is the active treatment hospitals.

Mr. White (Hastings-Peterborough): How does that figure compare with what is allowed by the department when a patient is placed in a private hospital?

Mr. Gregg: I am told it compares quite favourably with the charges made by hospitals of the same standard.

Mr. Cruickshank: Is any provision made for the hard of hearing? There is the original cost of the necessary equipment as well as the monthly upkeep, and I should like to know if that is paid.

Mr. Gregg: If the deafness is due to service, treatment is provided by the department and the hearing apparatus is furnished free.

Mr. Cruickshank: What about the monthly upkeep of the batteries?

Mr. Gregg: Under the conditions I have related, all upkeep is taken care of.

Mr. Lennard: What is the explanation for the increase of $29,682?

Mr. Gregg: As my hon. friend knows, the veterans bureau provides free advocate service for veterans seeking pensions. When a veteran feels he has a good case but is unable to prove it, he is able to obtain the services of a competent advocate to help him in assembling his evidence and presenting it when the review board next visits his area. The work of this bureau is certainly not lessening. Here again, as in the case of the pension board, we are encouraging the pension advocates to do their utmost on behalf of applicants, even if it requires extra expenditures on travelling.

We believe that in the long run such a policy will be economical because when a veteran who feels he has a pensionable disability believes that everything is being done that can be done, his mind is in a better state and in the long run the cost to the taxpayer is less.

Mr. Lennard: How many more cases have been appealed during the past year than previously, and why has this increase taken place?

Mr. Gregg: I cannot give that offhand but I shall be glad to get the information and give it to my hon. friend, if not on this item, later on.

Mr. Lennard: I notice that there are increases in the numbers of pension advocates. There is an increase of one in the case of pension advocate, grade 4; an increase of three in pension advocates, grade 3; an increase of two in pension advocates, grade 2. Where are those pension advocates located and what is the reason for these increases?

Mr. Gregg: I do not think there has been an increase. There has been an increase in those who are listed as permanent as compared with those who were blanketed in with the temporaries. Pension advocates are located in the 18 districts across Canada. In New Brunswick, for instance, there is one, and I think there are three in Toronto.

Mr. Lennard: I notice that there are some part-time pension advocates provided for. Should there not be more of these? Are there a sufficient number of pension advocates throughout the country to adequately look after the cases that are coming in?

Mr. Gregg: The part-time advocates would be located in the smaller districts where the work would not warrant the use of a full-time advocate.

Mr. Lennard: Are there any districts where there is not a sufficient number of pension advocates?

Mr. Gregg: No, Mr. Chairman, I have had no complaints as to the adequacy of the number of advocates. I feel they are fulfilling the purpose for which they are intended, and are taking care of the cases. In visiting the various offices across Canada I made it a point to find out from the pension advocates how many cases they had ready for the next sitting of the review board. So far as I could learn, the meshing of the work of the advocate and the work of the review board was going forward satisfactorily.

Mr. Cruickshank: I do not wish to make a complaint but merely to ask a question. First of all I should like to say that I think we have a most excellent board of pension commissioners. In administering the act they are fair in every way. It may be unusual for me but I should like to pay a compliment to the parliamentary assistant who has assisted me with every complaint I have put before him. The complaint from my riding, and indeed from my province, is as to the delay in getting appeals ready for the pension commission. I am not sure of the number but I do not think you have enough commissioners.

An hon. Member: Louder.

Mr. Cruickshank: I have never been accused of that before. I do not think there are enough commissioners going to the various provinces. I am not complaining about their decisions but I am complaining about the fact that there is too long a delay before appeals are heard. I do not think you have a sufficient number of commissioners to hear appeals. After all, we must remember that we now have the veterans of two wars to consider, and what may have been sufficient to cover the first great war—and I do not think it was —is not enough now. I think in the province of British Columbia there is too long a delay before the consideration of appeals. I should like to know if we are going to increase the number of commissioners to hear these cases.

Mr. Gregg: I am glad to have that brought to my attention. If there are any special cases of delay I should like to know about them. During the past year I have not felt that the delays were caused by the fact that the review board, composed of commissioners,

was not able to get there. Sometimes what appear to be unreasonable delays are occasioned by the fact that the advocate requires a tremendous length of time to assemble the information, sometimes from far places of the earth, in order to make his case. Consequently such an application is delayed until the advocate feels he has all the available evidence at hand. He then lets it be known to the chairman of the pension commission that he is now ready to deal with eight, nine, ten or fifteen cases at Vancouver or New Westminster, as the case may be. I will look into the matter raised by my hon. friend.

Mr. Cruickshank: I believe you have a sitting at Kamloops in the interior of British Columbia. I can be corrected by the hon. member representing that constituency if that is not so. I believe you also have sittings in Vancouver and New Westminster. I want to suggest that it means a great deal of inconvenience and expense to veterans, who may or may not have a case, to go to Vancouver or New Westminster. Chilliwack has a population of some 17,000 or 18,000 people. Could we not have a sitting of the commission in Chilliwack? Chilliwack has the largest Canadian Legion branch in the province of British Columbia, and therefore we must have quite a number of veterans. I should like to see a sitting at Chilliwack instead of veterans from the entire Fraser valley having to go to Vancouver or New Westminster at their own expense and inconvenience.

Mr. Gregg: Owing to the large number of veterans in British Columbia, the sittings there are under constant consideration. I will take under advisement the suggestion made. I am informed that an appeal board of the commission is sitting in British Columbia at the present time, and that every appeal listed as ready for hearing is being heard. We have at least three appeal boards sitting in British Columbia each year.

Mr. Cruickshank: Will the minister take into consideration having one of the appeal boards sitting in the city of Chilliwack?

Mr. Gregg: I will discuss it with the chairman of the board.

Mr. Lennard: A few minutes ago the minister said that the reason for delay in the hearings was that the pension advocates take so long to prepare their cases. That is the same complaint I have had, that we have not enough pension advocates to adequately care for the different cases. I would not say that they have too much to do but I feel that some of the pension advocates have a few more cases than they can adequately handle under the circumstances. Sometimes it does not take much to keep them busy.

Mr. Mutch: I think it is pretty well the experience of everyone who has had anything to do with this matter that the fastest pension advocate is not necessarily the best one. At the present moment I know of a case which has been in the course of preparation for more than a year. It is an application for leave to reopen, and in order to make the case stand up you have to have new evidence. Correspondence has been going on with the British ministry and with people scattered all over the country. That is where a good deal of the delay arises. Once an appeal fails after leave to reopen has been granted, it is exceedingly difficult to succeed on a second appeal for leave to reopen. In most instances the delays are delays in preparation. It is not so much the result of a shortage of pension advocates as the fact that these people have got a bit foxy through long experience. They have not only the interest of the veteran but their own reputation at stake, and they exhaust every possibility in order to get evidence. Just recently one of these chaps sent a man to a country drugstore to search for prescriptions issued twenty years ago which might substantiate a claim. That involved nearly a week spent in the dusty basement of a small-town drugstore. I am sure these efforts contribute more to delays than either failure to work hard enough or insufficiency of pension advocates.

Mr. Gillis: What are the necessary qualifications under the regulations for a pension advocate?

Mr. Gregg: The qualifications are rather special. Normally of course, if other qualifications exist, training in the law is useful. It is not always possible to entice a lawyer from his practice to that work. To answer the question in an offhand way I would say that the prime qualifications are intelligence, patience, industry, and anxiety to serve the best interests of the veteran.

Mr. Gillis: Is it not necessary that he should know something about the Pension Act?

Mr. Gregg: Oh yes, of course. He gets an orientation course in that.

Mr. Gillis: The reason I ask that is that at one time it was obligatory that a pension advocate must be a member of the legal profession, but that has been removed. It is necessary to know something about the machinery.

Mr. Cruickshank: So that it may be on the record, I should like to ask the minister a question. I should like to be corrected if I am wrong in my understanding of the procedure. Let us say a man is entitled to

treatment for lung trouble and then, unfortunately, finds that he is affected by heart trouble; in such circumstances is he or is he not entitled to hospital treatment at, let us say, Shaughnessy hospital for that heart trouble, or only for his pensionable disability in respect of his lungs?

Mr. Gregg: Only for his pensionable disability.

Mr. Cruickshank: Then I should like to take issue with that. A case was brought to my attention which, I am pleased to say, was arranged satisfactorily. The person in question had been blinded at Ypres while serving in the first world war with the Princess Pats. Unfortunately about a month or two ago, owing to his blindness he walked into a woodpile and suffered injury to his elbow. This man was refused treatment in the hospital at Victoria because, it was stated, his elbow injury was not due to his war disability.

I must admit that this matter was straightened out satisfactorily. Surely if a man who was blinded because of his service either in the first or in the second world war meets with further difficulty, his blindness should constitute a disability. It is my view that if a man is disabled in any way owing to service in either of the great wars, whether he suffers from heart, lung or any other ailment, he should be entitled to hospital treatment. We in British Columbia have known of too many cases of brigadiers, generals and even major generals suffering from rheumatism, bad knees or something like that, but who have been able to secure treatment at Shaughnessy when the private soldier could not get treatment because, according to the regulations, he was not entitled to it.

In my view every veteran of either the first or second world war should be entitled to free hospitalization, without declaring himself a pauper. I certainly must object when a blinded man is barred from securing hospitalization for an ailment resulting from his blindness. I admit that, in the case I referred to at first, fair treatment was given; I wish to be fair about that, but I do urge that every consideration should be given by the department to any veteran of either war in the matter of hospitalization.

Mr. Gregg: "Eligibility due to service" might be either direct or indirect. The example of "indirect" would be the blind man injuring himself by walking into the woodpile. I think it will turn out that his injury was an indirect result of his service.

The other point I should like to make is that neither at Shaughnessy hospital nor at any other D.V.A. hospital across Canada is the ex-major general given any preferred treatment over the ex-private.

Mr. White (Hastings-Peterborough): A minute ago the minister said he was quite satisfied there were enough pensions advocates, and then he referred to the long time it took to prepare a case. Could he tell the committee the approximate number of appeals from Ontario in one year, and the number of pensions advocates to handle those appeals.

Mr. Gregg: Perhaps that might be discussed under item 537.

Mr. Herridge: The minister referred to pensions advocates. I understand that at the moment pensions advocates in British Columbia are located at Victoria and Vancouver. These two cities get all the preference in British Columbia in anything of importance. They have the ministers, and officials go to Vancouver or Victoria, and rarely come to the interior. Some years ago we had a veterans advocate located in the Kootenays, serving what would be considered the ridings of Yale, East Kootenay, West Kootenay, Kamloops and the north country. At the present time, with the advocates having to come from the coast periodically to serve this large area, I am sure that under present arrangements there is some unnecessary delay in interviewing men and taking up their cases. I would ask the minister and his officials to give consideration to locating at least one veterans advocate in the southern interior of British Columbia.

Mr. Gregg: We have included in the estimates an advance for such personnel as may be requested by the chief advocate. I shall discuss with him the points made tonight and if there is a necessity for more advocates the matter will be taken under careful consideration.

Item agreed to.

535. War veterans allowance board, administration, $203,960.

Mr. Wright: I notice there is a decrease of about $50,000 in this item. The details at page 320 would indicate that this decrease is due to a decrease in travelling expenses. This year there is a sum of $3,000 for travelling expenses as compared with $58,000 last year. Would the minister explain this difference? It seems to me that the board either does not intend to travel, or does not intend to do much inspection this year, as compared with last year. Under the amendment to the act regional boards are being set up, but I would expect those regional boards would cost some money to operate.

Mr. Gregg: I believe the hon. member was not in the house this afternoon when this matter was discussed under the administration item. In response to the hon. member for Kamloops I explained that a good deal of the work formerly reflected in the estimates for war veterans allowance is now being done under welfare services. He will notice a corresponding increase for travelling and other things under that heading. I would like also to add, however, that even with that I will need to ask in the supplementary estimates for more money for war veterans allowance in order to do just that thing which he has mentioned, namely, travelling by members of that board.

Mr. McLure: I should like to know what authority is given to the war veterans allowance board in a city like Charlottetown. What authority have they in the granting of a war veterans allowance? Is their report to Ottawa sufficient to decide the matter, or does Ottawa decide on the evidence produced by this board?

Mr. Gregg: The district office in Charlottetown has exactly the same authority in this and other matters as Toronto, Montreal, Vancouver or any of the larger cities. It is a complete set-up in itself. If my hon. friend wishes to look into that more fuly, I am sure he would be interested in the discussions which ranged around the amendment to the War Veterans Allowance Act which passed through the Commons within the last few weeks.

By virtue of that amendment, we have undertaken to decentralize the work of the war veterans allowance board. Whereas in the past the board at Charlottetown looked into the applications, made recommendations to the board in Ottawa, and the board studied the matter and arrived at its decision, it is the intention in the future to have these decisions reached at Charlottetown. The members of the board will visit the local authorities from time to time for the purpose of co-ordination and to hear appeals from local decisions.

Mr. Jones: Will the minister explain the last item, "professional and special services", reduced by $12,000.

Mr. Gregg: Because of the transfer to welfare services. The hon. member will find it reflected there.

Item agreed to.

536. Veterans insurance, $77,495.

Mr. Lennard: In connection with this item, will the minister indicate how many applications there have been during the past several years, and how many policies were issued?

Mr. Mutch: Policies or applications?

Mr. Lennard: Both.

Mr. Gregg: I may state that during the past year—my hon. friend does not want the amount of money, just the number of applications?

Mr. Lennard: The number of applications, and the number of policies issued.

Mr. Gregg: As at April 30, 1950, a total of 27,337 applications had been received. At the same date, April 30, 1950, the policies in force numbered 23,824.

Mr. Fulton: What was spent last year on advertising and publicity under this item?

Mr. Gregg: There was $44 spent.

Mr. Fulton: I notice in the last issue of the public accounts which we have, reporting on the 1948-49 expenditures, advertising and publicity, which was estimated that year at $15,000, was allotted $13,000, and there was spent only $817.92. It appears that the estimate under this heading has been running consistently in excess of the actual expenditures on advertising and publicity in connection with veterans insurance at this time. Would the minister consider reducing the estimate under this heading? There is a consistent record, if I may call it that, of overestimating and underspending. I do not think it is good estimating practice to ask for so much more than is actually needed.

Mr. Gregg: I believe that without question there was an overestimation last year. The main reason for this amount this year is the fact that in 1951 the act runs out, I mean the cut-off date becomes effective. We feel it is important this year that all veterans be notified of that fact, so they may be able to get in under the Veterans Insurance Act before the cut-off date becomes effective.

Mr. Fulton: Has the department a definite advertising program worked out by which the committee can be satisfied that something in the neighbourhood of $5,000 will be spent?

Mr. Gregg: The cut-off date is in February of 1951, and plans are being worked out. The campaign plan is not completed yet, but thought is being given to it.

Mr. Gillis: Mr. Chairman, I know the cut-off date was proposed for 1951, but is it necessary to cut out the veterans insurance at that time? Why can the insurance not be allowed to run? I bet you there are thousands of Canadian veterans who came back from this war, like

those who came back from the last war, who are not familiar with the benefits of the veterans insurance under this act. Very little advertising has been done. There has been little urging of the veterans to take advantage of this act. A few booklets have been written but they have not been very widely distributed. I bet you that in this city eight out of every ten veterans you might question about the reason why they should take insurance under this act would not be able to tell you anything about it. Instead of cutting down the advertising about this particular insurance, I think consideration should be given to wiping out the cut-off date. There is no reason why the government should not be in the insurance business for the veterans of this war and the last.

There should be more advertising. Someone should be selling that insurance in competition with the old line insurance companies. Many of the veterans cannot get insurance with the old line companies anyway. There is no comparison between them. Competition is supposed to be the life of trade, and I strongly urge the minister to give some consideration to advancing the cut-off date, and commencing an active advertising campaign on the benefits of this insurance to veterans. I do not believe in cutting down this particular item at all. I think we should extend it because there is no comparison between the insurance offered under this act and that offered by the old line companies.

Mr. Herridge: I should like to support what the member for Cape Breton South has said. I think experience in the first world war demonstrated that it was not until the majority of the veterans became settled and had families that many of them realized the benefits of this insurance. They could not get insurance with the old line companies. I was in that category myself. I was home for some years before I had a family, and then I realized I had a load to carry. I could not get insurance with the old line companies, so some years after the first world war I took out a policy under this provision. I am of the opinion that what the member for Cape Breton South has said is true. There will be a large number of veterans who will realize the value of this insurance in the next five years who have not realized it up to the moment. I do urge the minister to give consideration to that aspect of this question which is important to those veterans who, without doubt, will want to take advantage of it within the next five years.

Mr. Gregg: I should just like to reassure the hon. member for Cape Breton South and the hon. member for Kootenay West that this light has not been hidden under a bushel. The veterans insurance has been in all of the booklets on demobilization and since. The act came into effect in 1945 for three years. In 1948 we brought it forward and lifted the cut-off date for three more years, to 1951. I think we might do some modest advertising and see how it works out this year.

Mr. Lennard: Where is that advertising to be done?

Mr. Gregg: In those veterans periodicals and others that are most likely to reach the attention of the veterans.

Mr. Lennard: As to the veterans periodicals, one might say that there are so many members of one veterans organization or of another veterans organization, but few of these take their veterans organization's official magazine. As to the Canadian Legion, *The Legionary* is taken by very few of the members. I personally know that to be so in my own district. If the medium of advertising is through these veterans journals, then the veteran at large is certainly not hearing about it.

Mr. Fulton: I should like to make one point clear. I have to confess that when I asked the question with regard to this particular advertising, I did not know that the cut-off date would be next February. If that is the case, when the minister gives the explanation, I withdraw the suggestion I made that possibly this item for advertising could be reduced. I certainly think that, if the cut-off date is only February, wide publicity should be given to that fact. However, I am inclined to agree on the whole with the hon. member for Cape Breton South in the suggestion he has made. For a man in good health I do not think the veterans insurance policy is better than the ordinary policy but for the veterans who cannot get ordinary insurance I do not think there should be a cut-off date, and certainly not by 1951. For the man who is unable to get insurance otherwise through the private companies, I think the privilege of getting veterans insurance should be extended and carried on for, I would say, another five years. It seems to me, as the other hon. member pointed out, that many of these veterans perhaps only now are realizing their family obligations or in fact achieving family obligations; some of us find ourselves in that position. It is only now that they will be realizing the necessity for insurance and looking for that policy. I think the minister might well consider carrying it on for another five years.

Mr. Green: Can the minister tell us how long after the first world war it was possible

to get this insurance? If I remember correctly what happened in the veterans affairs committee, the general feeling was that there should not be much hesitation in extending the cut-off date. I would hope that the minister is giving consideration now to extending that date next year.

Mr. Gregg: In view of the discussion tonight, Mr. Chairman, I shall be glad to give that matter careful consideration before any announcement is made as to the cut-off date.

Mr. Green: Can the minister tell us how long after the first war it was possible to get this insurance?

Mr. Gregg: I am afraid that none of us here can tell that exactly. Of my own personal knowledge I remember that it was extended several times. I think it was somewhere in the vicinity of 1935, but I am not sure.

Mr. Green: That is seventeen years.

Mr. Mutch: At least four extensions.

Mr. Harkness: Can the minister tell us whether this cut-off date of February 2, 1951, is a statutory provision?

Mr. Gregg: Yes, Mr. Chairman. It was in the amendments to the insurance act which I brought in in 1948.

Mr. Harkness: I would suggest to the minister that if that is the case it may be, and certainly I would think it is likely, that the house would not be meeting again in time to pass an amendment to this act before that date. If therefore anything were going to be done by us to extend the date, it would probably have to be done at this session.

An hon. Member: Or by order in council.

Mr. Harkness: Therefore it is a matter that should receive what you might call immediate consideration. There is another question I wish to ask as to the figures the minister gave of approximately 27,000 applications and approximately 23,000 policies issued. Do I understand that those are the numbers of applications and policies issued as from the inception of the act?

Mr. Gregg: Yes, Mr. Chairman.

Mr. Harkness: My understanding has always been that this insurance was for the benefit of veterans who were unable to get an insurance policy from the ordinary line companies because of various disabilities they had and so forth. I was rather surprised to find that the number of applications exceeded the number of policies by some 5,000. I should like to ask the minister what the explanation of that is.

Mr. Gregg: Perhaps I should have explained that. The number of applications that I quoted was the grand total of applications from the beginning down to the present time. The number of policies in force were those actually in force at the present time, which did not take into consideration at all those whose policies had lapsed; for example, those who had died and whose policies had been paid.

Mr. Harkness: There is then no question of people having applied and having been turned down?

Mr. Gregg: Oh, no. There have been some turned down.

Mr. Harkness: There just have not been any cases of that kind?

Mr. Gregg: There were 58 declined out of the whole lot.

Mr. Harkness: What would be the reason for those 58 being turned down, just generally speaking? I do not mean to go into every case.

Mr. Gregg: I could not give it exactly, but to cover it generally it could be that they did not meet the requirements of the act. I suppose it probably might be lack of sufficient service or it might be for a number of reasons.

Mr. Harkness: There is one other question I want to ask. This is entirely the administration end of the veterans insurance. I had some question in my mind as to how this veterans insurance had worked out from the point of view of profit and loss. Has the government had a profit on this veterans insurance or has it suffered a loss up to date? If so, what is the amount of the profit or loss?

Mr. Gregg: I think this would answer my hon. friend. The treasury pays the cost of the administration, which is voted here.

Mr. Harkness: I meant apart from administration.

Mr. Gregg: Granted the cost of administration, then beyond that we believe it to be actuarially sound: no profit and no loss.

Mr. Harkness: Does that mean that up to date there has been a profit to the treasury, we will say, on the operation of this act? And if so, to what amount?

Mr. Lennard: The minister said "no profit and no loss".

Mr. Harkness: You cannot have that. That is not practically possible.

Mr. Gregg: To put it briefly the payments received on account of premiums on policies are paid into the fund; the amounts due on account of collections on policies are paid out

of the fund. With that intake and outgo, there remained in the fund as at March 31, 1950, a total of $6,307,889.88.

The Deputy Chairman: The hon. member for Yale.

Mr. Harkness: Mr. Chairman, I had another question.

The Deputy Chairman: Order. I think the hon. member should consider giving other hon. members an opportunity of asking questions. I understand that he wants to pursue a certain line of questioning; but suppose, for instance, he would like to pursue it for another twenty or twenty-five minutes. In that case no other hon. members could put any questions. He can always revert to his line of questioning.

Mr. Jones: My question has been partly answered. I wonder if the minister can tell us the total amount of insurance carried or the value of the insurance carried, the amount of premiums held by the government and, if possible, how those premiums are invested?

Mr. Gregg: The total value of the policies in force is $68,286,000 odd.

Mr. Johnston: How many have lapsed?

Mr. Gregg: On March 31, 1950, there were 1,092 lapses.

Mr. Jones: What premiums in total are held against this liability?

Mr. Gregg: The sum of $5,996,000. That is held by the Department of Finance.

Mr. Harkness: I was going to ask that question. Apparently there are premiums of $5,996,000 held against the policies. The total payments that have been received are $6,700,000. Is that extra $900,000 what might be called profit, or what is the basis of it?

Mr. Gregg: Perhaps this might answer my hon. friend's question. The total disbursements on account of deaths and so on, payments on policies, have been $311,021.83, leaving a net balance of $5,996,868.05, or a total of $6,307,889.88.

Mr. Wright: What interest does the Department of Finance pay, if any, to the insurance fund for the reserve of which they have the use?

Mr. Gregg: It is 3½ per cent.

Mr. Harkness: I do not think my question has been answered yet. There is a difference in the amount held as premiums against the policies of $5,900,000. Apparently there have been disbursements of $311,000. That still leaves some $500,000. My original question was as follows: Was the $800,000 profit, or what might be called profit? Apparently it has been reduced by the $311,000. I do not know whether that is actually so or not. Apparently you still have $6,700,000 on hand.

Mr. Gregg: I will be glad to send my hon. friend a copy of the balance sheet.

Mr. Lennard: When a private insurance company issues a policy the general rule is that if the policyholder pays in anything over possibly three premiums he has a paid up policy of some amount. Does that apply in this instance? If a veteran pays in for four years and then allows his policy to lapse has he any stake in it? If not, that is a departure from the general practice of insurance companies.

Mr. Gregg: The principle is incorporated in the insurance. I have not here the exact number of years, for instance, at which it remains paid up. The principle is incorporated in this insurance.

Mr. Johnston: A moment ago the minister gave the number that had lapsed. The number was well over a thousand. I could not catch the odd numbers. In any event can the minister give us the reasons for those lapses? How long do they have to reinstate their policies if they so desire?

Mr. Gregg: I presume the reasons would be the well known reasons why many of us have allowed our insurance in ordinary line companies to lapse—they did not have the money. If the man finds that he can get over whatever difficulty caused his policy to lapse he can renew his application and take out a new policy.

Mr. Johnston: How long a period does he have to reinstate it?

Mr. Gregg: Until the cut-off date, whenever that may be set. He can come back and apply again. Perhaps the hon. member means, how long would his policy run if it had been going for several years. I cannot give him that information offhand. I will try and get it for him.

Mr. Johnston: Is there any cash refund if he does not carry the policy on?

Mr. Gregg: This perhaps will throw some light on it. I said that the number that had lapsed was 1,092; but I am advised that there have been a total of 3,505 lapsed. Of those 3,505, 2,413 have been reinstated, leaving a net of 1,092 that are still lapsed.

Mr. Johnston: Is there any cash refund on those that are not reinstated? What is the rate of interest that is paid on their investment?

Mr. Gregg: I will get that information for my hon. friend.

Mr. Harkness: A little while ago the minister said that he would send me a copy of the balance sheet. That is very nice. I may get it in a week or so, but it will certainly not be any good to me as far as the discussion on this estimate is concerned. As far as I can make out, there is some $500,000, probably more than that, on which we have not been given any explanation. I asked whether it was profit, whether it was reserves or what the situation was in connection with it. That is the explanation I should like to have.

Mr. Gregg: Let us take a date, say March 31, 1950. My hon. friend has a sharp pencil. Under the heading of receipts appears the fund as at March 31, 1949. That is carried forward, and amounts to $4,156,238.49. Still under receipts appears, interest on fund at 3½ per cent, $168,536.15. Under that, interest on overdue premiums, $140.71. Under that, premiums received, $1,980,085.28. Under that, claim repayments recovered through subsequent awards under the Pension Act, death benefits, under a subheading, $2,061,28; annuity payments, $872.97. These are all under receipts. The total is $6,307,889.88.

Now, under expenditures, payments at death—includes $4,892.40 paid up insurance, section 10—the total there is $92,057.44. There were annuity payments of $36,458.92. Excess premiums refunded amounted to $28,976 27. Cash surrender values paid—this partly answers the question asked—$149,538.93. Payments under change of plan of policy, $2,990.27. Total disbursements, $311,021.83. The difference between that and the total net receipts gives a balance of $5,996,868.05, making a total of $6,307,889.88.

Mr. Harkness: The minister said the payments into the fund were $6,700,000 odd, which still leaves $500,000. Where does that come in?

Mr. Gregg: I am afraid I do not understand just where the hon. member gets his $500,000.

Mr. Harkness: The minister said the receipts were $5,900,000, which is the figure just given to us made up of a number of smaller items, but he said at the same time that the payments into the fund amounted to $6,700,000, which gives a difference of some $800,000. The total payments out were $311,000, which leaves out of the $800,000 approximately $500,000.

Mr. Gregg: I am afraid my earlier figures misled the hon. member. The $5 million figure was not a payment into the fund, it was the net balance of the fund itself.

Item agreed to.

Payments to or for veterans and dependents—

537. Pensions for disability and death, including pensions granted under the authority of the civilian government employees (war) compensation order P.C. 45/8848 of 22nd November, 1944, which shall be subject to the Pension Act, $99,739,000.

Mr. Cardiff: I received a complaint the other day, in connection with the pension of £10 which is paid when a Victoria Cross is awarded, about this money being in sterling rather than Canadian funds.

Mr. Gregg: The item we are on deals with disability pensions but I shall attempt to answer the hon. member. In world war I there were certain awards such as the Victoria Cross and the Distinguished Conduct Medal which carried pensions. If the Victoria Cross was won by a man in the ranks he received a pension of £10 per year in English money from the war office; if it was won by an officer, he got nothing. In the second world war Canada assumed the responsibility of making these payments. I am rather inclined to think that the inquiry the hon. member refers to has to do with a Victoria Cross won in the first great war.

Mr. Cardiff: That is so.

Mr. Gregg: I suppose it indicates the growth of our Canadian nationhood that in 1919 it was considered that these should be paid in the way they were, and in this last war the method of payment was changed. The following is the list of awards being made by Canada to recipients in world war II:

	No. of recipients	Total amount paid
Victoria Cross	2	$ 100.00
George Medal	3	150.00
Military Medal	252	11,498.76
D.S.M.	8	365.04
D.F.M.	42	1,916.46
D.F.C.	14	638.82
M.C.	3	136.89
D.C.M.	40	1,825.20

With regard to the military crosses it will be noted that if won by an officer, no pension is paid, but where won by a warrant officer, a pension is paid.

Mr. Cardiff: This man complains that he is being discriminated against because the pound has gone down in value, and I think this amounts to a difference of $37 per year.

Mr. Gregg: I have had correspondence with some recipients of this pension. The hon. member will realize that the amount is more of a token payment than anything else. There have been other recipients who have stated to me that they would like to have the payments continue from the original source, the war office. I assure my hon. friend that I shall keep it in mind.

Mr. White (Hastings-Peterborough): I wonder if I could ask one question? At the last veterans affairs committee there was a brief on behalf of the Hong Kong veterans. Can the minister tell us how many of the Hong Kong veterans are receiving a pension and whether or not the pensions board gives any special allowances or consideration to them?

Mr. Gregg: I know my hon. friend was not in the committee this afternoon, and I hope he will read the statement I made about the Hong Kong veterans with regard to both treatment and pensions. The number in receipt of pension was just around 1,000, and approximately 200 more have entitlement for free hospitalization who are not in receipt of pension. This is out of a total of 1,415 survivors.

Item agreed to.

538. Newfoundland special awards, $46,000.

Mr. Higgins: This item appears to be cut almost in half and perhaps the minister could explain. The minister might also explain just what this item covers.

Mr. Gregg: The item is trimmed to the actual need. As my hon. friend may know, before the union of Newfoundland with Canada there were a few veterans in Newfoundland who were in receipt of pension from the G.W.V.A., which was to all intents and purposes administering moneys under the former government of Newfoundland. In order to fulfil the terms of union to the last dollar it was arranged that this should come in as a special item and be carried forward as long as these particular recipients were alive.

Mr. Higgins: The need for this has now gone?

Mr. Gregg: The need for part of it is gone.

Mr. Higgins: Who advised you that the need was gone?

Mr. Gregg: They have all been provided for.

Item agreed to.

539. War veterans allowances, $21,715,000.

Mr. Harkness: I should like to ask the minister whether this estimate includes the increased amount which it is estimated will be required as a result of the changes in the War Veterans Allowance Act to extend the benefit thereof to people who served in British and other allied forces during the first war?

Mr. Gregg: No, Mr. Chairman, that is not reflected here. It will be necessary to ask for a further supplementary amount of approximately $2 million. When these estimates were compiled the bill had not been brought forward.

Mr. Harkness: The increase of $2 million is entirely due to the greater number of people who will become eligible this year?

Mr. Gregg: Yes.

Item agreed to.

540. Assistance fund (war veterans allowance), $750,000.

Mr. Lennard: I should like to ask how this money was distributed by provinces, what amount in each province?

Mr. Gregg: It is not allotted in accordance with the population. As has been explained before, the intent of the fund is to take care of cases of hardship amongst recipients of war veterans allowance who have no other means of support. This breakdown is at the end of the fiscal year, March 31, 1950. It is as follows:

Province or city	Applications Approved	Amount
Newfoundland	44	$ 1,664.35
Charlottetown (P.E.I.)	97	6,987.68
Halifax (Nova Scotia)	430	25,918.48
Saint John (New Brunswick)	492	29,155.15
Quebec (eastern Quebec)	190	10,432.30
Montreal (western Quebec)	1,093	69,475.40
Ottawa	252	10,020.00
Kingston	122	7,441.67
Toronto	1,229	114,702.14
Hamilton	301	14,923.77
London	370	29,250.64
North Bay	287	14,996.90
Winnipeg	618	27,495.36
Regina	180	11,723.03
Saskatoon	253	14,198.97
Calgary	341	13,993.41
Edmonton	226	14,159.47
Vancouver	2,751	147,733.48
	9,276	$564,252.20

Mr. Lennard: How many were monthly payments and how many were outright grants?

Mr. Gregg: We have never demanded that our district offices break that down for us. It would be a very difficult thing to do. Based upon the need in some cases, there might well be a grant to overcome the difficulty and a little later an increase in the war veterans allowance. Except as a matter of general interest, I doubt very much whether if it would be worth all the work that would be involved in preparing a statistical record.

Mr. Lennard: In other words, these amounts are for monthly payments?

Mr. Gregg: No, these are payments for the fiscal year, for the number of people in each district that I have indicated for the first year of the fund's history.

Mr. Lennard: But they were monthly payments?

Mr. Gregg: Not necessarily. Many of them were but some of them were not.

Mr. Lennard: Does the cost of administration come out of this item?

Mr. Gregg: No, the cost of administration is taken care of by the welfare vote.

Mr. Green: This particular form of help was first introduced in the fiscal year 1949-50, and for that year it was set at $500,000. For the present fiscal year there is an increase to $750,000. Last year the provision was really an experiment. The minister told us that he wanted to see how it would work out before deciding on a permanent policy. Is the minister now in a position to tell us what the permanent policy is to be? If assistance of this type is to be continued then I suggest there should be some statute behind it so that these veterans will not be dependent on the bringing in of an annual vote. That is always a very uncertain way to provide for payments. It would seem that we should very soon be reaching the stage of having some statute to define just what the rights are. Perhaps the minister can tell us whether his department has reached any final conclusion as to this matter. I think it should also be pointed out to the minister again that the very fact he is finding it necessary to increase the amount for these grants shows that the amount of war veterans allowance payable is insufficient. These amounts are paid to help recipients of war veterans allowance, and if the amount of war veterans allowance were increased there would not be such need for the grant. I am sure that veterans would prefer to have an increase in their war veterans allowance instead of having to pass a second means test in order to receive payments from the assistance fund.

Then, there is another feature. As I understand the present regulations, a man cannot qualify for any help whatever unless he is drawing full war veterans allowance. It would appear to me that if he is getting a small pension of, let us say, $25 a month, and then gets a certain amount by way of war veterans allowance, he cannot qualify for help under this fund.

I have here a notice sent out by the Vancouver office which refers to "any veteran or veteran's widow in receipt of full war veterans allowance, who is in need." That is, they have to come within that classification in order to qualify for help.

I am wondering why there is that strict provision. Why is the regulation not made wide enough so that help can be given to any veterans in receipt of some war veterans allowance? I believe there are many cases where a veteran may be drawing only partial war veterans allowance, and yet he may be badly in need of help of this kind. He cannot qualify for it because of the present regulation.

Then, there is one other point; apparently in making an investigation, before allowing any help from this fund, investigators go into all sorts of details. For instance, question 13 on the form refers to entitlement to assistance from other sources, such as social assistance, mothers' allowance, old age pensions, family allowance, medical and hospital care, and other things.

Surely that is going pretty far. Does it mean that an attempt is made to shove the veteran off onto the city authorities for social assistance or, if it is a widow, onto the provincial authorities for mothers' allowance? I do not think the attitude should be that these veterans or widows must try every other source for help before becoming eligible for assistance from this fund. Would the minister explain the situation with regard to these different points?

Mr. Gregg: Mr. Chairman, dealing with the maximum of war veterans allowance, if the recipient were not in receipt of the maximum available, and were in need, then he could be raised to that maximum under the regular terms of the war veterans allowance. That is why we refer to the recipient who is in receipt of the maximum war veterans allowance available. Because if he is not in receipt, and is in need, then he can be brought up to that maximum.

Mr. Green: What about the small pensioner?

Mr. Gregg: Perhaps I had better read the regulation, word for word:

> Amount allowed: no recipient may receive assistance in any twelve consecutive months in an amount greater than the difference between his total income including war veterans allowance and income from other sources and the maximum amount of income allowed under the War Veterans Allowance Act, 1946. In no case shall the amount exceed $120 for a recipient awarded the rate for a single person or $180 for a recipient of war veterans allowance in the amount of $70.83 a month if awarded otherwise.

In practice I am told that the receipt of a small pension does not debar him from participation in the assistance fund.

Mr. Green: Even although he is getting a pension of, let us say, $25; that would allow him about $25 war veterans allowance. Would a man in that position be entitled to get this assistance? If so, the regulation should be clarified.

Mr. Gregg: With his pension and his war veterans allowance we can bring him up to the maximum permissible income.

Mr. Green: I want to get that clear; take the case I mentioned where the man gets a pension of $25. He is allowed $10 over and above war veterans allowance, so that he would get $10 clear, and then the remaining $15 of his pension would cut down the amount of his war veterans allowance to $25.41. In the way these regulations read at the present time that man would be ineligible for any assistance from this fund, because he is not getting $40.41 war veterans allowance.

Mr. Gregg: We are able to augment such a man's pension up to the maximum of the permissible income.

Mr. Green: But you do not have to augment it. He is entitled to a pension of $25.

Mr. Gregg: His war veterans allowance, I should say.

Mr. Green: He is entitled to a pension of $25 and under the War Veterans Allowance Act he is entitled to an allowance of $25.41, making a total of $50.41. Can the minister give him further help from this fund?

Mr. Gregg: No, we have already lifted it.

Mr. Green: But he could get that before this fund was ever brought into existence. There is no help for him at all from the fund, in those circumstances. Surely some discretion should be given to the district to help these men if they are in need.

Mr. Gregg: I believe I have answered the hon. member as best I can. The normal maximum augmentation of the $25 pension for a single man would be another $25.40, thus bringing it up to $50.

Mr. Green: But he is entitled to get war veterans allowance bringing him up to $50 anyway. I am asking whether he is entitled to any help from this fund.

Mr. Gregg: Not above the $50 in this case, no.

Mr. Green: There is the other point I mentioned with which the minister has not dealt yet, the question of putting this into legislation.

Mr. Gregg: The answer to that briefly, Mr. Chairman, is that this last year has been the first year for the fund. I do not think my hon. friend is justified in criticizing us for increasing the amount of the estimate this year when we feel the need is there. We might have been subject to criticism if the need had been there and we had not increased the estimate.

Mr. Green: I am criticizing you because you have not increased the war veterans allowance.

[Mr. Gregg.]

Mr. Gregg: There is a good reason for that, and I should like to say a word about what our policy within the department is this year. Frankly, during this year, we would like to utilize this assistance fund to take care of hardship, as we started to do last year, while the discussions mature about old age security generally. There is no question about it; this War Veterans Allowance Act, with the assistance fund alongside of it, is old age security. If my hon. friend wishes me to tell him what I should like to see, it is this. Under the theory of the pre-ageing effect of battle, it has been established that war veterans should get the war veterans allowance ten years earlier than the old age pension would be received, or at the age of 60. I am glad that has happened, even though I do not agree that every individual who survived in battle was pre-aged by ten years. I am sure my hon. friend was not. Nevertheless, I am glad it happened.

When social security for the aged is worked out on behalf of all our people, then whether it is five years or ten years, whatever it might be, I hope that the amount of the war veterans allowance going to the veteran in each of the provinces, in that period between 60 and 70 we shall say, will be the same as it would be for all the people after the age of 70. In other words, in my own province at the present time the war veterans allowance between 60 and 70 is almost exactly the same as the old age pension for the rest of the people from 70 until death. In my hon. friend's province, for 75 per cent of the recipients, the war veterans allowance has been augmented to bring it up to $50 per month as a sort of cost of living bonus. I should like to see the time when the veterans of the various provinces will receive the same as the residents of those provinces are receiving under the old age pension. Now, it is going to take a lot of planning to work that out, but in reality that is the real reason why I would rather see hardship overcome during these two years by this patchwork method, if you will, rather than by making an over-all increase from the eastern border of Saskatchewan to Newfoundland inclusive, which would bring the war veterans allowance, from 60 until death, ten dollars higher than the old age pension from 70 until death for the rest of the population.

Mr. Green: This is a temporary arrangement, pending some change in policy. I just want to say a word about the other point with which I was dealing. If a non-pensioned veteran drawing $40.41 war veterans allowance has an income of $10 outside his war veterans allowance, he can still get help

from this fund. But take the case of a small pensioner, if he gets $10 extra in addition to his pension, he can get no help whatever from the fund. The way the regulation is worded now, it does not work out fairly, and I think there should be a change in the wording of the regulation, instead of basing it on the fact the man draws a total of $40.41 war veterans allowance. Some other line should be drawn.

Mr. Gregg: I shall be glad to make a careful study of that, Mr. Chairman, and have it reviewed by the counsel within the department who has given a lot of thought to this matter of the assistance fund.

Mr. Knowles: I heard the minister give a figure as to the percentage of recipients of war veterans allowance in one province who had their allowance supplemented by $50. During the discussion has he given those percentages for the other provinces, and if not, could he do so now?

Mr. Gregg: I have that in my office, but not here. I remember British Columbia figures particularly because I have been told so often in this house that the war veterans allowance is so much lower in British Columbia than the old age pension.

Mr. Green: So it is.

Mr. Gregg: Let me reply to that by stating that 76 per cent of the applicants in British Columbia for war veterans allowance assistance have been granted assistance for which they applied. Of the recipients of old age pensions in British Columbia, 74·2 per cent are receiving the extra $10 per month if they have lived in British Columbia three years, and it is looked upon as a cost of living bonus.

Mr. Harkness: That causes me to ask a question. So far as Calgary was concerned, the figure given by the minister worked out to about $40 per year, and that was given to 319 people who applied for assistance under this particular provision. He says now that in British Columbia 75 per cent of the people on war veterans allowance have been brought up to the scale of the old age pension. The scale for the old age pension in Alberta is higher than in British Columbia at the present time; it is the highest in Canada. Apparently the war veterans in Alberta have only had an average of $40 per year increase, so they have not been brought up to anything like the scale of the old age pension.

Mr. Gregg: I did not state that 70 per cent of the applicants for war veterans allowance had been brought up to $50. I said that their cases had been cared for. I would also indicate that even at the average of the amount shown for Calgary, it has been rather surprising to see the degree of hardship that could be overcome by spot amounts of $25, $30, $40, or $50. It has helped in a great many cases.

Mr. Harkness: But my point still remains. How is it that 75 per cent of the people in Alberta have not been brought up to the scale of the old age pensions if they have in British Columbia?

Mr. Gregg: I did not suggest that, Mr. Chairman. I could also ask the question, if I wanted to do so, why a larger per capita amount had not been spent in the province of New Brunswick, or on behalf of my friends in Newfoundland. We are more economical down there.

Mr. Knowles: May I ask the minister about the supplementary amount that has been paid in British Columbia. He says that 75 per cent of the recipients of the war veterans allowance assistance have received spot payments of $40 or $50 to tide them over. Were those $40 to $50 payments a temporary arrangement or a more or less permanent thing?

Mr. Gregg: Some of those will be payments of $10 per month to single men or $15 per month to a man and his wife, while others will be spot payments, and others will be small amounts of money to help the veteran overcome a difficulty. I did not at all attempt to indicate, and if I did I take it back, that they were all in any sense regular amounts paid for the twelve months of the year.

Mr. McCusker: I should like to ask the minister if there is a greater proportion of veterans in British Columbia asking for assistance than in the other provinces. It seems to me the grants there are considerably heavier.

Mr. Gregg: I would not say that they are, Mr. Chairman. I would say, however, that there is a much larger proportion of veterans in British Columbia, both old and young, in comparison with the rest of the population, than in any other part of Canada. That is because of the climate.

Mr. McCusker: I am not doubting what the minister said, and I do not want to seem to be doing so. I think the minister said that 2,400 applied for assistance in British Columbia compared with about 400 in Saskatchewan.

Mr. Gregg: Who had been accepted.

Mr. McCusker: Who had been accepted.

Mr. Gregg: 2,751 in Vancouver.

Mr. McCusker: Compared to how many in Saskatchewan?

Mr. Gregg: That is Saskatoon and Regina, which takes in all Saskatchewan?

Mr. McCusker: Yes.

Mr. Gregg: 432.

Mr. McCusker: I do not think that there are seven times as many veterans in British Columbia as there are in Saskatchewan.

The Chairman: Shall the item carry?

Some hon. Members: Carried.

Mr. McCusker: I should like to have an answer to that question.

Mr. Gregg: The census is to be taken next year and we shall have for the first time in Canada a real picture of the veteran population. The bureau of statistics have agreed to do that. Until then I am sure I would not be able to answer the question correctly.

Item agreed to.

Payments to or for veterans and dependents—

541. Unemployment assistance, $50,000.

Mr. McLure: This is only a small item, but I should like the minister to explain what unemployment assistance is. Large amounts have been gone over tonight. For instance, there is an item for temporary employment. We have already voted about $25 million without asking any questions. But I should like to know what this small item is.

Mr. Gregg: This vote is a traditional one. It has been in the estimates for about twenty years. One of these days perhaps we shall merge it with something else. It has played a useful part, and it provides for controlled assistance, generally in the form of cash, to provide shelter, lodging, fuel and food to veterans in the following classifications who are unemployed and in necessitous circumstances:

(1) Veterans who served with the Canadian forces during world war I and who are in receipt of a small disability pension under the Canadian Pension Act. Perhaps this will be some satisfaction to the hon. member for Vancouver-Quadra because some of those he mentioned may receive assistance here.

(2) Veterans who served with His Majesty's forces other than Canadian during world war I or with forces of His Majesty's allies during world war I who are in receipt of a small disability pension and were resident in Canada on or before December 1, 1924. Under category B this little fund will now be relieved by the effect of my bill that went through the other day. I am sorry, but if the hon. member for Queens asked me a direct question, I did not catch it. May I ask if he would repeat it.

Mr. McLure: I was just asking what this amount was for, and the minister has given practically a general view of it. How much of this was paid out last year? Under what terms does a veteran make application for this assistance? It is something new. I do not know whether or not any of it is being paid out in my province. I should just like to find out whether it is or not; and if not, why not.

Mr. Gregg: Each district is familiar with this little emergency fund; and from time to time there come to their attention veterans within this category who are in need of assistance immediately; and amounts from this fund are used. For the year 1949-50 a total of $29,964 was utilized. Of that, $3,848 was in the way of cash assistance to veterans in need in the categories I have mentioned; $240 was to assist in the purchase of clothing. The number of veterans involved was 1,068.

Mr. Bater: Are these veterans who cannot qualify under unemployment insurance or is this a supplement to unemployment insurance?

Mr. Gregg: Yes. These veterans would not be able to qualify under unemployment insurance, no.

Mr. Gillis: Is that fund administered provincially, and who administers it?

Mr. Gregg: Our district office in Halifax, Saint John, Charlottetown and so on.

Mr. Gillis: You have not the break-down of that by provinces, have you?

Mr. Gregg: No, I have not.

Item agreed to.

Soldier Settlement and Veterans Land Act—

547. To provide for the cost of administration of Veterans Land Act; soldier settlement and British family settlement, $4,563,514.

Mr. Hansell: The minister will have to tell me whether or not I am speaking under the correct item. If I should come in on a later item, I shall be glad to defer discussion until then. But I have a case which might be typical of several others. It is that of a war veteran who sought the benefits of the loans offered to veterans for machinery to run his farm. This particular veteran had only put in 259 days and his service was in the western hemisphere. Evidently he was not able to get the loan. In a letter to the minister I explained the situation and I received a reply from one of his officials who evidently answered the inquiry owing to the minister's

absence from his office. The answer I received was the report that was given on this young man's case. That was not the answer I wanted, because the young chap himself gave me the same report, which he had also received some little while before.

The regulations were quoted, and evidently the young veteran has to put in a certain length of time before he can qualify. I am wondering whether that is simply a hard and fast rule or whether the rule could not be made flexible enough to take in deserving cases. According to this young man's interview with me, he was not entirely responsible for his early discharge. He wanted to remain in the forces and he also wanted to go overseas. I must confess the young man feels that perhaps he has been discriminated against a little for some reason or other. I am wondering whether the minister would agree to look into this case further to see if something can be done for this young man. He does not want a grant; he wants a loan. It would appear that he is able to pay back a loan. At present he is residing on land that he is farming. It looks good, and there appears to me to be no risk on the part of the government to grant the loan to this young man under the regulations, if it is possible for him to get under the present regulations.

If there is no risk taken I do not see why he, as well as others who may have been in the army a week longer than he was, are not able to receive the benefit of the loan. I know that in all of these things you have to draw the line somewhere; but in a case like this of a young chap, who after all offered himself and was in the forces, it does seem to me that he should be able to get the benefit of this. As a matter of fact, it is not a benefit; it is simply an accommodation.

I am wondering whether the regulations could be made more flexible, or whether the minister will not look a little further into this case, with a view to trying to accommodate this particular individual.

Mr. Gregg: It is not a matter of the regulations; it is in the act. A great deal of thought was given to this by those who worked on it here and framed the act. The result of their deliberations was: for the veteran who had service overseas, yes; if he were a pensioner on any amount, yes; if he had 365 days, in the western hemisphere, yes. As my hon. friend says, they felt that there had to be a fair cut-off day somewhere, and one year appeared to be sound. Bear in mind that service of less than that time did entitle the veteran to some re-establishment credit for his service, so he was not left out entirely. But for the purpose of this act it was considered that either 365 days, a pension or service overseas was the governing factor. It is there in the act, and I think that it has met with general acceptance. I feel sorry, as my hon. friend does, for those that we have had to turn down. We have not granted any at all under that 365 days. I have one on my desk now for 363 days which I have to turn down; so there it is.

Mr. Harkness: The travelling expenses under the Veterans Land Act, soldier settlement board, seem to be pretty high. I see it is estimated at $600,000 this year. Last year it was $550,000. I was wondering whether it was necessary to have that amount for travelling expenses. I do not know how much of this $550,000 was spent last year. I would like the minister to tell us that. In my own experience with this I think that there is probably a great deal more running around the country than is entirely necessary.

During the last year, for example, there was a sort of garden competition held for small holdings. I know that the supervisors and others ran all over the country looking at those gardens to see which one had made the greatest improvement. A prize was given for the garden which showed the greatest improvement. As a matter of fact, these people went around in threes. I happen to know of three of the supervisors who went around to the men's places looking at their gardens. They spent considerable time there. Then they went on to somebody else's place. They spent a great deal of time doing that. It seems to me that the travelling expenses incurred as a result of these people doing that amounted to a large amount. I do not know how many of them did it. It must have been a large number across Canada as a whole. The cost of that was extensive. I doubt very much whether any good result came from it. This is one instance of the way in which considerable amounts of money are being, if not wasted, at any rate very close to it, in the way of travelling expenses under the Veterans Land Act.

Mr. Gregg: To answer my hon. friends' question, last year the sum of $574,340 was spent in travelling expenses. It is a large amount. I think it will be realized that those who followed the experiences of the soldier settlement board from 1920 on, and saw the losses incurred by the treasury and the taxpayer on account of veterans being placed on land and left to a great extent to fend for themselves under circumstances that they did not understand, losing their morale in many instances, and coming to the point on two occasions where these loans had to be cut off, or substantial portions of them, will not object. We are now in the process of clearing up these problem cases at the latter

end. It was determined that this time men going on the land should have follow-up assistance.

I can assure my hon. friend that the directors, and field supervisors in Alberta and elsewhere, do not enjoy driving their cars out over the hills; they do not do it as a matter of pleasure. But so far—and we are not going to brag too soon—the Veterans Land Act plan both for the farm and the small holdings is moving forward with a good deal of success.

My hon. friend spoke of the competition last year. I am not going to make any apologies either for the competition itself, the prizes, the running around or the publicity with regard to that competition. It will be remembered that two years ago it was my duty to bring to this house in estimates a demand for large sums of money for what I was pleased to call remedial purposes. What it was for was to try and fix up quickly built structures on our subdivisions across Canada, some of which were bad, but often worse in the minds of those who lived in them, because they were discouraged.

By the efforts of the director and the staff with the people living on those subdivisions, that phase ended and eventually they achieved a measure of enthusiasm for brightening up their property, and growing some garden on it, and as a result of the competition held last year as applied to the small holdings and subdivisions I can tell my hon. friend that the whole standard of the homes on those subdivisions has been greatly raised. So much so that this year we are carrying on a similar scheme of competition as between small holdings which are independently located, not on subdivisions. On the other hand, we will continue to make as large economies as we can in the travelling expenses here, commensurate with service to the veterans.

Item stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow we will take up third reading of Bill No. 265, respecting the units of electrical and photometric measure; then the resolution which appears in today's *Votes and Proceedings* to provide and maintain a residence for the Prime Minister which the Minister of Trade and Commerce will wish to advance as far as possible. I am told that there are some amendments from the Senate to the Income Tax Act which may come up. I have not seen the Minister of Finance but I am announcing them in case it is possible to go ahead. We will proceed with Bill No. 209, to amend the Prairie Farm Assistance Act, 1939, if the Minister of Agriculture is in Ottawa. Then Bill No. 133 and Bill No. 134 concerning national defence and the Militia Pension Act. There is also a resolution in the name of the Minister of Citizenship and Immigration to amend, consolidate and clarify the Indian Act. If time is left we will take up the estimates of veterans affairs. On Thursday it is our intention to proceed with national defence estimates.

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

[The following items were passed in committee of supply]:

DEPARTMENT OF VETERANS AFFAIRS

528. Departmental administration, $2,175,279.

529. District administration, $2,894,311.

530. Veterans' welfare services, $3,494,538.

531. Treatment services, $34,389,177.

532. Prosthetic services, $983,450.

Canadian pension commission—

533. Administration expenses, $2,132,824.

534. Veterans bureau, $436,791.

535. War veterans' allowance board—administration, $203,960.

536. Veterans' insurance, $77,495.

Payments to or for veterans and dependents—

537. Pensions for disability and death, including pensions granted under the authority of the civilian government employees (war) compensation order P.C. 45/8848 of 22nd November, 1944, which shall be subject to the Pension Act, $99,739,000.

538. Newfoundland special awards, $46,000.

539. War veterans' allowances, $21,715,000.

540. Assistance fund (war veterans' allowance), $750,000.

541. Unemployment assistance, $50,000.

542. Hospital and other allowances, $3,720,000.

543. Gallantry awards—world war II, $18,000.

Miscellaneous payments—

544. Employers liability compensation, $150,000.

545. Last Post fund, $125,000.

546. Grant to Canadian Legion, $9,000.

END OF VOLUME III